

**OUTLINES OF
POLITICAL
ECONOMY
DESIGNED
CHIEFLY FOR...**

George Henry Smith







OUTLINE

POLITICAL ECONOMY,

AND AGRICULTURE

FOR SCHOOL AND FUNDAMENTAL STUDENTS.

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EDITOR

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OUTLINES

—

POLITICAL ECONOMY,

—

USE OF SCHOOLS AND OF JUNIOR STUDENTS.

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GEORGE HENRY SMITH.

These outlines of political economy will read for the student as a digest, and as a key to the authors.

*Every legislative measure that restricts the means of living is injurious to the moral life of nations.—*Journal of Economic Literature**



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PREFACE.

THE compiler of this brief introduction to the study of a Science, which, it is to be hoped will, ere long, be taught in our schools *pari passu* with that of History, has drawn freely from the standard authorities on the subject, occasionally using their own words even, as they suited his purpose, without further notice than is conveyed by that general acknowledgment. But it would be superfluous were he not to mention that he lies under special obligations in this way to the honored Professor Bastiat; to Mr H. D. Macleod, author of the *Dictionary of Political Economy*; to Monsieur T. N. Maudslowi, author of *Les Lois Économiques*; and to Monsieur Tisserand,* whose essays, *Lectures à nos Ouvriers*, contributed to that ably-written and conducted politico-economic journal, *L'Année Commerciale*, have furnished the staple of the two chapters included under the heading, *Reassurances*.

It has been the writer's aim to interest as well as to instruct; with what success remains to be seen. He has endeavored to avoid disputed

* Since going to press I have met with no extract in Mr Charles Knight's *Politiſſimes* and *de Droit Justice*, which leads me to suspect that part of my obligations to M. Tisserand are, in reality, due to Mr Knight, to whom the French economist is, I take it, himself indebted. The extract alluded to is from *The Works of Macleod*, a work of Mr. Knight's which I have as yet tried to procure it having, I am informed, been for years out of print. If my surmise be incorrect, I apologise to M. Tisserand, whilst, if correct, I am only too happy to have the opportunity of acknowledging my debt of the many debts I owe to the English literary veteran who has laid the whole republic of letters under such numerous obligations, as author, as editor, and as publisher.

points, and to survey each clear general notion as may enable the learner to pursue the study without having anything to mislead; nay, more, warned of fallacies which occur in works of deservedly high repute, but which are inevitably involved in a progressive Science that has got many problems to solve.

The treatment of Chapters VII., VIII., IX., and X., may appear more terse and trivial than some the pages of even a more Primer such as if the present work; nevertheless it often happens that notions with which all are supposed to be familiar are by no means accurately known; and

“The common things that sound so true”

are not always the worst exponents of elementary truths. Nor is precedent wanting to their defence; the idea of these chapters having been suggested by Otto Hübner's manual, *Der Klein-Kassierer*, in general use throughout Germany, and popularised in France and Belgium by the intelligent labours of Monsieur Hardy de Brouillon.

That to novelty, or to originality, the compiler can lay no claim. He has sought to be useful; and if his attempt proves acceptable to teacher and learner, his utmost ambition will be satisfied.

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OUTLINES OF POLITICAL ECONOMY, &c.

CHAPTER I.

THE MORAL OF MAN'S WANTS.

1. From childhood to the grave man's whole career is determined by his Wants. Save for the pressure of necessity, scarcity would be unknown. His first Wants are material—food, clothing, shelter. These provided for and secured, a new and higher class of Wants stimulates him to intellectual action. He asks himself, with Solomon, "What profits hath a man of all his labour which he taketh under the sun?" And, thoughts of the future dwelling upon his mind, and calling forth the aspirations of his soul, he arrives at the conclusion that "The fear of the Lord is the beginning of wisdom."

2. The higher man advances in the scale of civilization—the higher and more urgent are his longings, and the more numerous his Wants. Now, a Want gives rise to an Effect to satisfy it. Hence the whole of human life may be summed up in these four words—Wants, Effects, Satisfaction, Disappointment.

3. The foregoing remark applies equally to savage and to civilized man. He is, in either state, a being impelled by Wants, and seeking to satisfy them. His actual Wants are similar in either condition, in each he requires food, clothing, shelter. And at each stage of his upward progress a like similarity is observable in his intellectual and spiritual Wants, whatever region of the earth he inhabits. Man is not more alien to his fellow man in outward form than in the impulses, desires, passions, feelings, and necessities of existence, which call upon him to do, enjoy, or suffer.

4. Hence, the basis of Political Economy is the nature or constitution of man. He is a creature of Wants. First, he desires a sustenance; obtaining that, he grasps at more. One Want or desire satisfied, another, as imperative to his demands, springs up. The marchet fades in this infinity of desires, this tide of unsatisfied cravings, carrying proof of the immortality of the soul. Were his life extended to thousands of

yearn, earth then, or now, would not content the yearnings of man. He looks, written upon the "dusty tablet of the heart," that this world is not his abiding place; and he looks beyond the grave to "the cry not made with hands." Similarly, the political economist sees in the laws of man's being, the principles on which he can base his science as on a rock.

4. As necessity is said to be the mother of invention, so Want is the parent of labour; and a life of labour, which expression is sometimes figuratively used to signify a life of pain, may be as less aptly employed to designate a life of enjoyment. For, a life of idleness, or of pleasure, as the absurd phrase runs, if we may believe those who have tried it from the days of Solomon downwards, is the most dreary, unsatisfactory, and unbecoming of all existences—"Vanity of vanities!" But whatever view be taken of the question, there is the broad fact staring us in the face, that without labour man cannot live.

5. Add to this, that without Wants of any kind, material or mental, he would not labour, the truth becomes plain that man's weakness is his strength; that "partial evil is universal good," that the Wants of man have elevated him from the savage to the civilized state, and have converted the wilderness into rich campaigns, teeming corn-fields, and populous cities.

6. It follows that the true way of bettering his condition is to investigate the operation of the Wants, or laws, under the influence of which he has already suffered so much. These Wants, being laws of Nature, have wrought in man what "the Lord God formed him out of the dust of the earth," must be ever his guides. To trace them out, and to apply them to the business transactions of man with one another, is the object of the science called Political Economy; in other words, of The Doctrine of Exchange.

7. Gifted with intelligence, and having but a very limited amount of bodily strength, man seeks to supplement the deficiencies of the latter by the help of the former. He seeks to satisfy his Wants with the least expenditures of labour. He subjects men and tries to his use beasts of burden, and invents tools and other machinery, the latter being but tools of a more complex description.

8. Some of our Wants are supplied by Nature, without any exertion on our part. Light and air, both of which are essential to the existence of animals and of plants, are furnished to us spontaneously; that is, Nature gives them without effort or co-operation of ours.

9. Observing this, and impelled by an inherent desire to abridge labour and lessen toil, we endeavour to substitute the agencies of Nature for our own. We have recourse to wind and water to grind our corn, use our tools, propel our ships. The mechanical powers, as they are called—the Lever, Multiplied Cord, and Inclined Plane—are so many powers of Nature which man has converted to his own use. And, among Nature's mightiest powers, steam and electricity are now labouring for him day and night, by hand and by art, and working for him marvels more wonderful than any listed in *The Tale of the Genie*, or in *The Arabian Nights' Entertainments*.

11. Yet this saving of labour and increase of strength are neither the whole, nor the most wonderful part, of the results of our thus invoking the powers of Nature to co-operate with our Efforts. Every such co-operation is, as remarked above, gratuitous. Nature lends us her aid, without charging anything for it. Whenever, by the help of the natural agencies of wind, water, the mechanical powers, steam, and electricity, we can supply a Want, or produce an article with less expense of time or of labour than before, and, consequently, cheaper than before, the saving is so much given to us by Nature, it is, as it were, a free gift of God to man.—(2. iv., sec. 8.)

12. Could we wholly subvert the action of the powers of Nature for our use, we might satisfy our Wants without further Efforts. This is impossible. But every step that we take towards it, each new subordination of Nature's agencies for man's labour—that is, each conquest of mind over matter, each triumph of intelligence over mere brute force, is progress—progress in the right direction—*divine*!

13. Our Wants, as already stated, are twofold—material and mental; those which relate to the body, and those which govern the mind and the soul. These Wants are all susceptible of indefinite extension. Civilized man is habituated to numberless comforts that have become Wants to him, of which the savage has no conception. Trade and commerce are called into being to satisfy them, and are extended in proportion to their development. No wonder are the lower or animal Wants in course of being satisfied, then, as has been pointed out above, a higher order of Wants arises and becomes the object of man's intensest desires. His mind and soul have their Wants, science, religion, literature, science, and the fine arts.

14. The conclusions derivable from the foregoing considerations, then, that man's mental development largely depends upon his material progress, and that the true means of bettering his condition is to secure him satisfaction of his corporeal Wants with the least expenditure, on his part, of time and labour; so that he may have the necessary leisure for spiritual and mental improvement—(2. iv., sec. 8 and 9.) A vast amount of bodily labour and of physical endurance and exertion is certainly ever to be required of man. "Tis good for him that it should be so. But when the "daily bread" has been earned, religion and reason alike demand that there should be time and opportunity afforded to the breadwinner to seek for the "manna from heaven." Moreover, intelligent labour and brute labour are as distinct one from the other as are man and beast; and the aim of civilization is to exalt the immortal above the mortal part of our nature.

CHAPTER II.

THE MECHANISM OF SOCIETY.

1. Let us endeavour to discover whether or not the human world, the world of man, is, like the material world, moved, regulated, and guided by laws which, even as man's Divine Maker, "know no change or variability, or shadow of turning;" whether our things are ordered by chance or by a superintending Providence.

2. You rise and dress. Have you ever reflected how many hands have been employed, and what an enormous amount both of money and labour must have been expended, before you could be provided with the apparel you are putting on? The cotton out of which your stockings were woven came from America, Egypt, or India. It required labourers to prepare the ground for it, sow it, cultivate it, pick it, clean it, and make it into bales to perform these operations; next, carriers to convey it to the nearest port; then, men to stow it away in a ship, and sailors to navigate the vessel to Europe. On being landed here, it had to be transferred to a factory, and spun; thence to the stocking-maker, to be woven into stockings. There have thus been required for this one article of dress, agriculture, sowing, sowing, sowing, weaving, together with machinery and tools which have themselves, each in turn, called for the labour and ingenuity of multitudes. If you wear linen, the flax out of which your shirt has been manufactured has had to go through a similar variety of processes. The very buttons upon it come from one quarter, if of bone; from another, if of silver; and both have had to undergo manipulations requiring different and numerous hands.

3. Then, the cloth of your coat or jacket comes from one manufacturing town, that of your waistcoat, probably, from another, and of your trousers from a third. The wool, out of which the cloth has been woven, had to be shorn, washed, carded, spun, felted, dyed; to be carried from the farmstead to the manufacturer's, thence to the mill. Here it had to pass through one machine after another—the invention of which has been a triumph of genius, and the making as well as working of which has employed hands innumerable—then to be transferred to the woollen-dresser's, and, finally, to the tailor's. Its dye has been sought, say from India, where the extraction of the indigo used by the dyer has been a source of fresh employment; and the preparation and the transport of which have, likewise, required numerous ships, sailors, and labourers.

4. Your necktie is of silk from the Levant, or from Piedmont, and has, most likely, been manufactured, if not grown, in France. The silk out of which it is made has been obtained, first, the breeding of silkworms; next, the cultivation of mulberry trees for leaves on which to feed them;

and then the cocoon had to be unrolled, *drawn*, *spun*, before the silk was ready for weaving; whilst its pattern is of different dyes, not one of which, maybe, have been produced, or manufactured either, in the same spot.

5. The leather of your shoes may be from hides fetched from the jungles of South America. Wild cattle had to be hunted down for them, hundreds of miles in the interior of the British *isles*, and, after transportation to Europe, how many arms and how many elaborate contrivances have there not been employed before the hides became the soft, flexible leather you have on your feet!

6. Now, pause mentally to review, in the manner just indicated, all that you see, all the conveniences which you enjoy in the course of the day. You will find that not a fibre of the services rendered to you by the thousands upon thousands of your fellow beings, busied in supplying your daily wants, has been glossed *at*, and that but very few of the callings or trades created by the demand for those services, have yet been specified. There are your food, your furniture, your houses, your cooking and other household utensils—your tools, if you are artisans, labourers, or workers of any description—your books. The words which you are now reading could not have been placed before you but for the co-operation of multitudes, and the formation of mechanisms which has taken years of thought, application, experiment, and an almost fabulous expenditure to perfect.

7. You walk out. There is street, road, or railway ready to meet your wants or wishes; there are lamps to guide your steps, police to protect you. Should you wish for education, from infant, parochial, or public school up to college and university—how great the mental labour and large the accumulation of learning, such merits degree, before these various institutions could do their work efficiently! You daily repeat, on the appointed day, to worship God. Whether your home of prayer be the solemn and awe-inspiring cathedral, or the modest and humble chapel, whether its creation has been the work of ages or of months, there is a teacher to whom you listen and to whom you look for comfort and direction, who has for years studied, day and night, and, often, on bedded lines, that he may be enabled to interpret aright to the fainting soul God's "lively oracles." You cannot move a step; you can perform no act of your life; you cannot even think without the aid of myriads of the dead, of the living, and, above, strange to say, of the nation; for posterity has been mortgaged, or pledged, to supply the wants of the immediate present.—(p. xxi. sec. 4.)

8. Contemplate any large town. The wonder, the wonder will be your surprise when you ask yourself, and seriously set about considering, how the wants of a Paris or of a London, with their millions of inhabitants, how their multitudinous material, intellectual, and spiritual wants, are regularly and satisfactorily provided for. No regulations framed by Governments, no rules or contrivances of man's invention, could secure the uninterrupted, and, in some sort, universal supply from every part of the country and from all quarters of the globe, which, like the

widow's orphans, never fails. This is secured only by leaving the community to the working of natural laws. Each individual in these dense hives of humanity follows his, or her own interests; and the whole population are regularly supplied by being left free to act accordingly. (Cf. ch. xiv. §.)

9. All this cannot be the result of chance. Men do not work in every region of the globe for fellow-creatures whom they have never seen, never heard of, by accident. If so, this would be a confusion accident; as so accident at all. One, moreover, of the great inequalities and marvels of the social mechanism now under consideration, is, that every man is in the like predicament, he is working for others; others for him. And, more wonderful still, each has at his command a million-fold, nay, many a million-fold, more conveniences than he could of himself produce, were even his life prolonged to the age of Methuselah; still, too, without robbing or wronging his fellows. What unaided man could provide himself with all he now uses, wears, consumes? Where is the Hercules who could throw a bridge across the Thames for his own special use?

10. Thus, individual is working for collective man; and the result is visible in the accumulated wealth, comforts, and improvements which past ages have bequeathed to the present. Could the London of the tenth century be exhibited to us, not merely in its outward aspect but in its life, its industry, its heart as it were, the proof of this assertion so afforded would be as striking as the difference between a Caffre hovel and a European city.

11. These wonders—the marvellous progression advancing step by step from one vantage-ground of civilization to another—must be certainly be the effect of laws implanted in man's nature, as the order of the universe is of the laws imparted by the Divine Architect upon matter. It should be borne in mind, however, that the laws which regulate society are twofold: the one kind imposed by man, the other ordained by God.

12. Forms of government, or man's laws, not only differ in themselves, but are often entirely opposed in spirit, and in fact, to one another. Their opposite, the laws of Providence, must be consistent, harmonious, and irresistible, since God has made man of kindred clay, whatever his colour or whatever his place. It is these laws, so far as man has hitherto been enabled to trace them, which are the foundation of the science of Political Economy.

CHAPTER III.

LABOUR.

1. Man lives either by Labour, or on the produce of previous Labour.

2. The savage hunts, fishes, gathers wild fruits and herbs, digs up ground-nuts and roots to satisfy his hunger, or feeds on insects, grubs, and reptiles. This is the lowest stage of human existence.

3. The next stage in advance towards civilization is attained when man has tamed the more useful animals, and become the possessor of flocks and herds. This stage is known as the Pastoral.

4. So long as a tribe or race of people remains in the pastoral stage, they lead an unsettled life; compelled to wander by the necessity of finding fresh pastures for their cattle. Such was the nomadary life led by Abraham and the patriarchs of old, and still led in the same regions by the Arabs. Such is the life led by the Tartars, who roam with their flocks and herds over the vast steppes or plains of Central Asia.

5. When man settles down to clear and cultivate the ground, he has taken the next great step in advance by acquiring a fixed habitation, and by thus associating more intimately with his fellow-men. He has reached the Agricultural stage.

6. Lastly, men collect together, so that hamlets, villages, towns, and cities cover what was before forest or desert; and manufacturers, trade, commerce, arts, learning, and religion combine to complete the change from barbarism to civilization.

7. In all these stages man can live only by Labour, or on its product. Whether searching for and digging up grubs and roots, gathering wild fruits, hunting, fishing, tanning, collecting, and tending cattle, burning down woods to clear the land for ploughing and sowing, or building houses, &c.,—Labour, in every phase of human existence, is the ground lot. From monarch to peasant, from minister of state, bishop, and judge, down to weaver, ploughman, and sheepherd—rich and all are Labourers. "Independence," remarked Lord Stanley in his speech on the opening of the new Workmen's Hall, Birkbeck, "is a word which is really absurd. Nobody is independent except the savage." (And not even he!) "We all depend upon one another—the rich upon the poor, and the poor upon the rich, and the rich just as much as the poor; and civilized society cannot exist otherwise."

8. There is no kind of Labour but what calls for exertion, either of mind or of body. Most kinds of Labour require the efforts of both, and try the strength whilst they tax the brain. The Indian hauling down the buffalo, the Esquimaux harpooning the seal, the Indian of the Pacific gathering acorn-nuts or bread-fruit, the herdsman, the shepherd, the ploughman, the smith, the weaver, the shoemaker, the merchant,

to hang up the sheets of paper to dry, and after drying they are taken to the binder's—each operative employing fresh hands. At the binder's one workman or workwomen folds the sheets the size that it is intended the book should assume, whether folio, quarto, or octavo, etc.; another stitches the sheets together; others bind them into books. Then the binder transfers the books to the publisher, who distributes them among the booksellers for sale to the public.

3. Now, before he could write or compose the book the author must have had teachers, must have gone through a course of instruction, must, in short, either have been educated or have taught himself. Moreover, there must have been paper-makers and ink and pressmen-factors, else he could not have written, much less have published the book. Besides, the power of metal fashioned in the shape of letters, or *types* as they are called, which have been set up by the compositor, could not have been produced without labour to dig the metal out of the mine, smelt it to form the ore and separate the metal from the dross, and carriers to convey the metal to the founder, by whom it is cast into types. Then more hands had to be employed, more processes gone through to produce the wonderful machinery of the printing-press. Lastly, when the desired number of books has passed from printer and binder into the publisher's hands, roads, conveyances, ships, perhaps, are required to distribute them here and elsewhere; the making and working of which alone employ thousands upon thousands.

4. When the writer of the book compelled to manufacture for himself paper, ink, types, printing-press, &c., it is plain, without taking into consideration the further processes essential to its publication and circulation, that no man's life would be long enough, no man's strength and skill sufficient to accomplish such a task. The book could never see the light.

5. Before the discovery of the art of paper-making and the invention of movable types and of the printing-press, parchment, or the prepared skins of animals, was used for publishing purposes, and manuscript were employed, as each copy of the proposed publication had of course to be written; whereas, now, half-a-dozen compositors can set up, ready for printing, more books in a month than a hundred scribes could write out in a year. Hence in those earlier times books were exceedingly scarce, immensely dear, and the mass of the people sunk in ignorance.

6. So Division of Labour, whilst producing beyond calculation more rapidly, and whilst giving employment to the proportion of hundreds of thousands to one more than could possibly be the case without its instrumentality, nevertheless renders the result of labour, the thing produced—be it book, or clothes, or shoes, or hats, or pins and needles—cheaper, and this almost beyond possibility of computation, than when each product is the work of a single hand.

7. The reason is that when an article has to go through various processes before it is completed, and each process transfers it to the hands of a fresh workman, he acquires by practice such expertise in his

special branch that hundreds, thousands, and, in many cases, millions of the article can be made in the time that would be consumed by a single workman in making, or vainly attempting to make, one.

5. Not is the greater expertise acquired by the workman who confines himself to one branch of a trade or of a manufacture, the sole benefit derived from the Division of Labour. Other, and not less important advantages accrue. The workman can more readily procure the tools required for his particular province : since few manufacturers care enough to enable them to purchase the variety of implements wanted for different kinds of work or for distinct processes of manufacture. Besides, no one person could master their use. Hence the large number of trades, callings, and professions which, in proportion as men become civilized, increase with their increasing wants and desires. It is found to be much quicker, and much cheaper, therefore, time being a costly element of labour, for one man to cut down the tree, another to saw it into planks, a third to work these into chairs, tables, and other articles, than for one and the same man to do the whole. Blacksmith, as regards timber alone, how many distinct businesses, trades, and callings have sprung up with the advance of civilization,—the blacksmith, the sawyer, the cooper, the joiner, the cabinetmaker, the wheelwright, the shipwright, &c. ; and connected with these, the painter, stainer, carver, gilder, and numerous others. To build and furnish the humble house—brick-maker, bricklayer, mason, carpenter, glazier, slater, (or thatcher), upholder, blacksmith, whitesmith, &c., &c., have to contribute each his quota of work before the habitation is complete.

8. In like manner the skill, talent, and handicraft of numbers can be usefully combined from two and three up to hundreds and thousands : as, for instance, in weaving cloth, silk, cotton, in ship-building, in mining, in foundries, in making roads, bridges, railways, raising Pyramids or erecting Crystal Palaces. Through the Combination of Divided Labour the thing wanted, whether small or great, whether a pin or a fortress, is produced more quickly and, as so much, more cheaply.—(See L. and C. III. sec. 5.)

10. And thus, owing to the discovery of the art of printing, the world has made more progress in all things which concern the best interests of man during the four centuries that have since elapsed, than in the thousands of preceding ages. Printing has diffused knowledge, far and wide. And, as knowledge has advanced there have followed discoveries in the arts and sciences no less wonderful, and no less influential on the well-being of mankind than the invention of printing itself : discoveries which are going on from day to day, almost from hour to hour, so rapidly that books are published separately to record, year by year, the new "Facts in Science and Art" that the preceding twelve months have brought to light—the which "Facts" for the most part contribute to man's comfort and welfare, and are all of them the results of Division and Combination of Labour.

CHAPTER V.

EXCHANGE.

1. It has been explained that the advantages arising from the Division of Labour have led to the great variety of trades, callings, businesses, and professions which, taken together, constitute a nation's industry. By confining themselves to a separate trade or business, men have found that they can procure what they want more readily and cheaply, than if each attempted to make and do everything for himself. Many trades—carpentry, shoemaking, tailoring, &c., for instance—are not particularly difficult, and may be acquired in a comparatively short time. Yet the carpenter knows that it is not worth his while to learn to make his own shoes and clothes, and he therefore gets them from shoemaker and tailor.

2. So it is with all traders, mechanics, and workers; each sticks to his own occupation, and has his wants provided for by others. Were the shoemaker to set about making a table for himself, the purchase of the tools alone required for the purpose would cost him more than he could buy the table for from cabinetmaker or carpenter; and were either of the latter to set about making his own shoes, even supposing that he could borrow the necessary tools, and learn in some measure how to use them, he would, for want of practice, take days over the work which the shoemaker would do, and wash better into the bargain, in as many hours.

3. It was the immense advantages derivable from Exchange, which taught men the profitableness of Division of Labour. They were thus enabled to supply their respective wants, by Exchange of the products of their different labours. The farmer found it to his interest to raise more corn, &c., than he and his family could use, in order to Exchange the surplus with the fisher and hunter, &c. In like manner the fisher and hunter plied their occupations the more diligently in the view of exchanging with the farmer, and with each other. Each worked, and works, easier and quicker, through confining himself to one sort of work, an arrangement which increases the amount of food and multiplies the quantity of all articles, useful and ornamental, beyond calculation. Exchange is the means by which man has it in his power to feed, house, clothe, and educate himself, and to enjoy God's manifold good gifts to the utmost necessary extent and at the lowest cost—whether the cost be estimated by money or by labour. Without Exchange, man, instead of being as St. Paul declares "a little lower than the angels," would be hardly a step above the brute.

4. Let us examine this matter of Exchange a little more closely, so that we may see clearly the cause of its advantages—ourselves. Just as the

carpenter or millwright, would be a week in making a pair of shoes which the shoemaker would finish in a day—so the latter would take a week to complete a table which either of the former could turn out in a few hours. But if these get their shoes from the shoemaker, and he his table from either of them, each of the Exchangeers or purchasers obtains by one day's work an article which he could not have made in fewer than six or seven days, and he thus saves five or six days for working at his own special occupation.

5. Now, say that during the day so gained the one makes six pairs of shoes, the others six tables. They use Exchange there for whatever articles they may be in need of, and thus satisfy many wants: or they can procure various comforts and enjoyments, which, if each endeavored to provide by his own handwork, independently of Exchange, it would not only be impossible for him to obtain but he would not even dream of. The Esquimaux hauled in his snow boat and firing on bladders the Indian who trusts to his bow and arrows for sustenance, and who lives in caves or in tents made with the skins of the animals he has slain, has no notion of the advantages and blessings of civilized life. Exchange not only supplies but suggests comfortable enjoyments which would neither be possible nor thought of, if Division of Labour and Exchange were unknown. Whilst man remains in the savage state and makes and does everything for himself, it is as much as he can manage to get food as what serves him for food: some wild tribes satisfying their hunger with clay even.

6. The advantages of Division of Labour and of Exchange arise, as we have seen, from the readiness and mastery they enable men to acquire, each in his particular trade or calling. A locksmith can make a key quicker and better than a carpenter can: he has greater aptitude for the work. Now, the same aptitude, or fitness, for different kinds of work which characterizes mechanics, is found to exist with respect to the capabilities of soils and climates for different productions. One soil, for example, is more fitted than another, to produce a particular crop, whether corn, vegetables, or fruits; and the climate of one country will yield in abundance articles of the greatest use to man, which it would either be too cold, or too early, to attempt to grow elsewhere.

7. Italy and the South of France produce silk, grapes, wine; Central and Southern America, with the two Indies, coffee, sugar, cotton; England and North America are rich in the most useful of all materials, coal, iron, and copper. There is hardly a country or a climate that does not yield some one thing which is either found or will succeed elsewhere; or, if found, does not produce it in greater abundance, or under more favorable conditions. By these differences of production and of productiveness God has, as it were, called the different peoples of the Globe into one family—each offering something useful or welcome to the others, and Exchange enabling each to enjoy its share of the blessings and riches of all. Thus, in proportion as countries become civilized and avowed of the universal benefits accruing from Exchange—on other words, the more

Exchanges take place, the more their inhabitants have it in their power to enjoy.

8. Hence, Exchange produces the same results between nations as it does between individuals, and confers the same benefits upon those who live at opposite extremities of the globe as it bestows on neighbours.

9. If one man have ink and two inkstands, but no pen or paper, and another more pens and paper than he needs, but no ink or inkstands, Exchange will give to each what he wants in render of one that which he possesses. The same holds good of different countries; one yields more cotton, or corn, or wine than it requires for its own consumption; and it exchanges this superabundance with other countries for their iron, or copper, or timber, &c., or for their manufactures. And although all civilized countries have manufactures common as well as peculiar to each, yet it has been found that some, owing to special circumstances, are better fitted for certain of the manufactures common to all than are the rest.

10. Thus, although France has manufactures of iron, cotton, and steel, she is nevertheless a large purchaser of such fabrics from England, whilst the latter, although manufacturing silk, porcelain, and watches, buys large quantities of all three from France. Clocks are manufactured at very low prices in England, yet the United States and Switzerland send to it clocks at lower prices still, and so secure a ready sale. The United States supply England with immense quantities of provisions—wheat, Indian corn, pork, cheese, &c., taking manufactured goods in return, or Exchange. Yet, notwithstanding that England possesses, for the most part, more facilities for the cotton manufacture than the rest of the world, the United States continue to produce, by the aid of their unlimited supply of water-power, the coarser and stronger kinds of cottons better and cheaper than England can—so that the United States' strong, common cotton goods command the preference in several markets.

11. France has both iron mines and manufactures of iron; yet, as observed above, she is a large purchaser from England of both the raw and the manufactured material. The reason is, that were she to endeavour to supply herself from her own resources only, as she has long and often tried to do, not being so rich in the mineral as England is, nor possessing such natural facilities for smelting and manufacturing it, she would be at a serious disadvantage in many respects. The most useful, and, therefore, the most important trades and manufactures require the aid of tools and of machinery, made in part, or wholly, of iron. By procuring these from England cheaper and better than she can make them herself, France is enabled to manufacture various goods cheaper and better than England can. Moreover, iron, in its many forms, is so important an instrument in most processes, from the manufacture of gunpowder and saltpetre up to ploughs and steam-engines, that by declining to purchase from England, Belgium, or such countries as can furnish her with either the ore itself, or with implements of iron, cheaper than she herself can produce it, or them, she would impose slavery

burthen upon her agriculturists and upon all trades and manufactures in any way dependant upon the use of that mineral. For, when the French carpenter is forced to buy the inferior planes, saws, files, chisels and other tools needed for his trade, which are made in France, or tools which, although equal to those of English make, are, nevertheless, owing to the higher price of the mineral itself, far dearer than they, he is at the same time compelled to put a higher price upon his work. Thus his work costs his customers more, without benefiting himself; since the higher price he gets serves only to defray either the higher price he is charged for his tools, or his loss in time and labour through his having to use bad ones. The same results follow, from the same, or from similar causes, in other trades, in manufactures generally, and in agriculture.

12. Iron, dear and bad—ploughs, harrows, spades, rakes, shovels, etc., are dear and bad. The farmer tills his land with the worse labour, the worse his implements; and, moreover, cultivates it imperfectly in proportion to their imperfections. The result is less corn, less hay, fewer cattle for the market; and thus and other indispensable commodities, the dearer become. Bread is dearer; meat is dearer.

13. Dear bread and iron and cheap bread and iron are two very different things. The first one supply the wants of *best* food; the last one satisfy the needs and desires of *many*. When by his day's work a man can buy his "daily bread" only, he must go without many of the necessities of life. But when corn is abundant, and an hour's labour will purchase enough bread for the day's use, the workman has eleven hours out of the twelve in which to earn wherewith to buy other articles beneficial to himself and family.

14. Hence it is the wisest course for countries, as well as for individuals, to confine themselves to producing whatever, either from circumstances, climate, or other causes they are best fitted for producing; and to exchanging the surplus for the products which other countries can supply more abundantly and, therefore, more cheaply than they.

15. It was believed for centuries, and the belief still lingers, that trading is a one-sided bargain; that in all commercial transactions "One man's gain is another's loss;" whereas the truth is, that in every bargain freely entered into, each party expects to be, and commonly is, a gainer. A merchant ships a cargo of European goods to New York, disposes of them there, and brings back a cargo, say, of breadstuffs. He looks to realize a profit on both transactions, or he would not have entered into them. As a general rule, he gains on each; and his double gain, instead of being a loss to any one, produces a profit to two other parties. The American purchaser of his shipment buys in the hope of making a profit on the purchase; and the same holds good of the European purchaser of his return cargo. His double venture brings a double profit to himself, and yields, besides, two separate profits to the two purchasers. In fact, it would be far more to say of all business transactions, the parties to which are free and willing agents, that "Each man's gain is the gain of some one else," than that "What

one gains another loss." Were the latter the case, there could have been no such thing as trade, or Exchange.

14. That, however, which men really exchange is not the actual goods transferred from one to the other, but their *Service*. One wants cloth, another food. He who supplies the cloth wanted by the other, spares him the effort of making it, or of going in search of it. By sparing him this effort, he renders him a service. And, on his turn, he is served by receiving the food which he wants, and by being spared the effort of producing, or of seeking it.

15. We have seen that man is impelled to Efforts, in order to procure satisfaction for his Wants, (e. g., see 2, etc.) and that to make an effort to satisfy another's wants, or to spare him that effort, is to do him a service. Commercial Exchange, therefore, is Exchange of Services; and since there must be two parties, at the least, to an Exchange, both are served, that is, both are gained by it.

16. The truth just stated is not invalidated by exceptions. Each Exchange may lose by the Exchange, but each makes it only in the firm belief that he will be a gainer; and if gains were not the general result of buying and selling, and the world, generally, not a gainer by trade and commerce—shops, warehouses, markets, would long since have been closed, or rather, would never have been opened.

CHAPTER VI.

MONEY.

1. Having seen the advantages of Exchange, let us look at its disadvantages, and consider how they may be overcome. The carpenter has made a table, and is in want, let us say, of bread, or of meat, groceries, or shoes. But if the baker, butcher, grocer, or shoemaker, does not stand in need of a table, the carpenter has to find some one who does; and who, at the same time, will give him for the table such article or articles as the baker, supposing that it is bread which the carpenter wants, may happen to require, and will take in exchange for bread.

2. This is so roundabout and slow a process that men could no more have discovered the benefits of Division of Labour and of Exchange, than they most have watched for some means to enable them to enjoy their advantages without the drawbacks just pointed out. Accordingly it is found that, as men emerge from a state of barbarism, and begin to cultivate, to manufacture, and to exchange, they have, in all ages and in all places, hit upon the expedient of selecting some object or objects which will be taken in exchange for all things whatsoever.

3. Various substances have been used for this purpose, but the pro-

Service has been almost universally given in metals; and, among metals, in gold, silver, and copper. This preference is due to their withstanding the effects of time and of wear; to the comparative ease with which they can be carried about; and to their comparative scarcity; a thing which men want, being more highly prized in proportion to its scarcity, or, in other words, to the difficulty of procuring it.

4. Two more steps had to be taken before the advantages of Money, as a means of exchange, could be realized. We read in the Bible that when Abraham bought of Ephron, the son of Zohar, the cave of Machpelah for a burying place for himself and family, he "weighed to Ephron the silver which he (Ephron) had named in the audience of the sons of Heth, four hundred shekels of silver, current money with the merchant." Pieces of metal shaped like animals, or into rings, of different weights, were the first form of Money. The next step was the invention of coins, that is, of flat pieces of metal—first, it was soon discovered, were most convenient for use when made of a round shape; and on which sides, in course of time, was stamped the likeness of the sovereign in whose reign they were coined, or the name of the city where they were coined, with a mark or marks to denote their weight.

5. Directly the use of Money became known, all difficulties in the way of Exchange vanished. The carpenter, instead of having to seek for somebody in want of a table, and who would give him in exchange for it whatever article the baker might want in exchange for the bread which he, the carpenter, stood in need of—has only to put down a coin of equivalent value, and the desired loaf is his without further trouble. The baker takes the coin, not, as many imagine, because Money is valuable in itself, but because he knows that it is exchangeable, and that he, in his turn, can exchange it with the carpenter, the butcher, or grocer, &c.

6. Thus Money is simply a token, or proof, that a certain amount of food, or of goods, or of labour, or that a service of some kind or other has been given for it in consideration of the giver's being able to exchange it, whenever he may choose or require, for an equivalent amount of food or of goods, or of labour, or for an equivalent service.

7. Money, therefore, is valuable only because it is exchangeable. There are many parts of the world, many savage peoples, where and among whom true beads, shells, or bones are deemed more valuable than any coin ever minted. Gold and silver are of no value there; they cannot be exchanged.

8. It is Exchangeability alone which imparts value to bank-notes, cheques, drafts, commercial bills, etc., which are merely bits of paper. They pass current so long as people are confident that they can get with them whatever they may want, just as readily as they can with coin. And the more of this confidence there is in a country, the greater its trade, commerce, agriculture, population, and wealth; since, were all dealings to be transacted by the intervention of the precious metals, only a small quantity which can be brought into circulation being hoarded, trade and commerce would be limited also, and the general wealth be so much lessened.

CHAPTER VII.

MANUFACTURER—MECHANIC—LABOURER.

1. A mass of iron ore, a pile of clay, a bulk of timber—before when on the tree, or when gathered, cleared, and packed up into bales, are, each and all, of no use until skill and labour have been applied to them.

2. Skilled, multi, forge the ore; work the clay into bricks, earthenware, china, saw and fashion the timber into planks and other shapes; manufacture the cotton into cloth, and thousands of useful and of beautiful fabrics reward the industry and intelligence of man. Things of no use apparently, and presenting no outward charm, are converted by ingenuity and labour into articles of every-day service, adornment, or decoration, and minister in countless ways to our tastes or comforts.

3. Man, however, can create nothing. All he can do is to change the place and form of substances already created. Tools, machinery, furniture, earthenware, china, cloth, are but iron, wood, clay, cotton, or wool, changed in form and in place. They are, if it were, designed and made by man; yet are they as much the gifts of God as are the talismans out of which they are made or manufactured. For when the Giver of all good gifts formed man out of the dust, and gave him dominion over every living creature, He endowed him at the same time with the thinking and inventive faculties through which are wrought the varied marvels of civilization—ships, railways, the electric telegraph; and so which we owe the innumerable blessings with which manufactures, trades, and commerce surround us.

4. The man who calls these wonders into being here, needs, his special work—unconformity with the general principle of Division of Labour. This kind of work which requires least skill and thought, no digging, delving, and other operations in which mere force, or bodily strength is chiefly exercised, is called unskilled labour, and the class whose business it is—Labourers. Carpenters, warriors, spinners, smiths, etc., are termed Mechanics, (from the Greek, *mekhane*, signifying any artificial means or contrivance for doing a thing), because they use more elaborate tools and machines than the ordinary Labourer; and their work is called skilled labour, because the application of machinery demands both dexterity of hand, and a greater or less degree of thought; and swiftness of hand and shrewdness of thought combined, constitute the faculty termed skill. It follows that skilled commands higher wages than unskilled labour.

5. Both these classes of men are indispensable to civilized society. Civilization could not exist without them. They are the working-basis of the community; and all other classes, were it only from a selfish motive, ought to secure their labourer's bringing them in a just return by

according to them, its free disposal where, how, and to whom they like to carry it. This, however, is a point that involves considerations which will be discussed farther on. For the present it is sufficient to say that not only do mechanics have often interfere with their right to the free disposal of their labour, but that both Mechanics and Labourer, owing to prejudices arising from ignorance, foster its disposal with absurd regulations to their own great injury.—(c. xvii, sec. 3, 4, 5, etc.)

4. The Manufacturer is one who, in proportion to the amount of his capital, (c. viii.) employs Labourers and Mechanics to carry out his plans, and make the article in which he deals. Hence Manufacturers on a large scale, are often spoken of as Capitalists; and it is a common error to suppose that great employers of labour, such as they, snatch themselves the expenses, and to the injury, of those whom they employ. The true explanation of the case is, that without men who have the command of money which they put to use as capital, there would be little or no employment for labour.

5. One portion of a Manufacturer's capital is expended upon the buildings and machinery in and with which he carries on his manufacture. Another portion goes to buy the raw material with which he trades, that is, the iron, cotton, silk, wool, &c., which he manufactures into machinery, cloth, and other articles. A third portion enables him to pay his workmen weekly until he can dispose of his labour, and to support himself and his family in the meanwhile.

6. Thus, instead of lending his capital and receiving interest for it, or of purchasing land and letting it out for rent, (c. xii, sec. 1) the Manufacturer sets down, say five hundred Mechanics, to his spinning or weaving machines—machines which they have not the means either to purchase or to work, and he pays them the price of their skill and labour. In other words, he lends his machinery to those Mechanics, to his and their mutual advantage. Both parties are gainers by the loan; but the Mechanic is the greater gainer of the two, inasmuch as it is not he who pays interest for the loan, it is the customer—(c. ix, sec. 3.)

7. Through this means, hundreds, thousands, even millions of Mechanics and of other workers find profitable employment; and Manufacturers put out their capital to use with advantage both to themselves and to others. Society at large is indebted to them no less than are Labourer and Mechanic, since, whilst their capital, energy, and intelligence furnish employment to the working classes, they reduce the cost of articles of necessity, comfort, and amusement, to all.

CHAPTER VIII.

THE FARMER.

1. The tiller of the ground may fairly be considered the parent of civilization. Man must procure or raise food, before he can apply himself to satisfy other wants of life. Cultivation of the ground provides the assembling of men into towns, and their bestowing themselves to trade, manufactures, and commerce. Bread has been called "the staff of life;" and it is by the skill and the labour of the Farmer that the earth is won to yield of her increase to our support.

2. He is the best Farmer, and renders most service to society, who grows the largest and best crops, and who, at the same time, manages to keep the soil "in heart" as it is termed; that is, who gives back to it, in the shape of cultivation and manure, as much at least as the crops he raises take out of it. Crops only grow by feeding upon the nutriment afforded them by the soil; and unless these of its constituents upon which they had were replaced, the soil would soon be exhausted. It would then be in vain to sow or to plant, since the only field would be weeds. The good Farmer therefore aims at producing as much as possible without impoverishing the soil.

3. Farming is, in fact, the manufacturing of food; and, owing chiefly to modern discoveries, it has become a science, by a knowledge of the principles of which, and their application to practice, the Farmer has at his power to utilize many soils once abandoned to waste, and to overcome difficulties not long since supposed to be insurmountable. For instance, in consequence of the invention of new and powerful manures, as well as through other aids which he now derives both from chemistry and mechanics, he can make fine crops of wheat upon soils that, but a few years ago, barely gave a scanty herbage.

4. In consequence, likewise, of improvements in the rearing and breeding of cattle, the Farmer can bring thrice the quantity of meat into the market within a given period compared with the amount he could before supply. In other words, sheep and cattle are now he reared to full growth and perfection, and fatted for the market, in a third of the time formerly required. Moreover, the steam-engine, the one grand source and means of all manufacturing progress, has been pressed into the Farmer's service, enabling him to economize time and labour; to save, as regards the keep of horses, by substituting its work for theirs; and to cultivate the soil, and to bring out its riches as it were, in an easier, and with results far exceeding anything he could effect, unaided by this powerful agent.

5. Every advance made by the Farmer adds to and improves "our daily bread." It is evident that all peoples are more or less dependent

upon the soil for their subsistence, and that if the earth were not to "yield its kindly fruits in due season," famine and pestilence would ensue. Hence, Agriculture, in all ages and countries, has been held in high honour. Even the haughty Roman nobles, who despised trade and commerce, revered the plough; and, in more luxurious times than those of Cincinnatus, occupied themselves with the cultivation of their estates. It is to this feeling we owe one of the most exquisite poems ancient or modern days have produced—the *Georgics* of Virgil.

4. What the founder and smith do with the shapeless mass of metal; what the potter with the plastic clay; what the spinster and weaver with flax, cotton, and wool; what the miner with the precious ore he brings to the surface—what the Farmer does with the soil we tread upon; covering it with pasture, forests, and herds; unloading its treasures of nutritious roots and plants; and, more valuable and precious than the produce of the mines of Mexico and Peru, bringing forth from its maternal bosom God's gracious Gift to man—"the staff of life," the golden corn.

CHAPTER IX.

THE MERCHANT AND THE TRADESMAN.

1. We may buy our bread from the baker, our clothes from the tailor, our furniture from the cabinet-maker and upholsterer; but there must be some one to supply the baker with flour, the tailor with cloth, the upholsterer with the various woods and stuffs he works up into furniture. Generally speaking, the baker purchases his flour of the miller; the tailor his cloth of the woollen-draper; the upholsterer his woods of the timber-merchant. In these cases the miller buys his corn from the corn-merchant, who procures it either from the farmer at home, or from abroad; the woollen-draper gets the cloth he sells from the clothier or cloth-manufacturer, who, again, has to buy his wool from the wool-stapler; and the latter collects his wool from farmers, graziers, and husbandry men, or procures it from the merchant who has exported it; whilst, in like manner, the timber-merchant purchases his foreign woods from the importer or general Merchant.

2. It is through the Merchant that commerce between different countries, and all traffic on an extended scale is carried on. He is the supplier of all things which his own country either does not furnish, or else does not produce in sufficient quantity; and he conveys to other countries, in exchange for such things, those products or manufactures which they require, and of which his own or other lands happen to be prolific.

3. Let us suppose, and this is frequently the case, that the harvest threatens to be deficient in England or in France. The Merchant

institutes inquiries as to the state and prospect of the crops; makes his calculations, and sends orders for the purchase of corn to his agents in the United States, Russia, or other corn-growing countries as they are called—that is, countries where, from fertility of soil, cheapness of labour, and an expected demand, (*c. str.*) corn is sure to be raised in far greater quantity, on the average of years, than is wanted for the consumption of the inhabitants of those countries. Thus, by his timely foresight, his enterprise, and the wise employment of his capital, the Merchant saves the threatened land from famine.

4. He acts thus for his own gain, it may be said. Certainly; but he does it at his own risk. Should the harvest turn out good, or supplies of corn come in so abundantly as to lower the price below what will remunerate him for carriage, freight, and interest on the capital he has been using—he is then a loser. Now it is only through Merchants realising risks of the kind, that the civilized world enjoys the markets which are diffused and multiplied over it by their willing agency, and to expect such risks to be undertaken without prospect of advantage to the undertaker, would be pure folly. Men would not work at all, unless they were impelled by their wants. In other words, they work solely in order to gain some thing, and, as object. This is the spur to all industry; the motive of all work, trade, commerce. And, by God's good providence, it is so happen that, as in the case of the Merchant's venture in corn, no one can really benefit himself without, at the same time, benefiting others.

5. Furthermore, it has been objected that the Merchant produces nothing. The objection evidently uses the word "produces" in the sense of "creates," and it has been explained above that man neither does nor can "create" anything—that the utmost he can effect is to change either the form or the place of material things—(*c. vii., see 2.*) The farmer and manufacturer do no more; the Merchant does no less. The first sows the seed to the ground, and according to his skill, the fertility of the soil, and the propitiousness of the weather, reaps "some ten, some twenty, some a hundred-fold." The second works up wool, or cotton, or paper, and converts them into cloth, calico, paper. Just so the Merchant takes out manufactures in China or the Brazil, and converts them, by exchange, into tea, coffee, or sugar. The exchange operated by the Merchant, answers to the conversion effected by the machinery of the manufacturer.

6. The Merchant has, as it were, sown the manufactures he has exported, and has given the tea, coffee, or sugar, for which he has exchanged them, to all talents and purposes, quite as much as the farmer has his crops. He has converted one thing into another, as really and effectually, as the manufacturer produces cloth from wool, or paper from rags. He is a producer, in the true sense of the word, as unequivocally, as the farmer or the manufacturer.

7. Thus the Merchant plays a most important part in the Division and Combination of Labour. His agency supplies manufacturer and merchant with the materials for their respective callings; binds together

the most distant countries in ties of friendship by exchanging between them their varying products; and carries the seeds and elements of civilization into barbarous lands, by introducing the blessings which follow peaceful pursuits and the exchange of superfluities.

8. The immense utility to society accruing from the occupation embraced by the *Tailor* or *Retail Dealer*, is manifest from the circumstances pointed out in the commencing paragraph of the present chapter. We there see the great convenience which results from appertaining the transactions of business among a multiplicity of persons who devote their time, intelligence, and capital to some one occupation. For instance, if the tailor were obliged to go to the manufacturer, instead of being able, as he now is, to select the goods he wants at the draper's, he would probably have to apply to twenty manufacturers before he could have a sufficient choice, or procure the articles best suited to him. In such case, he would both require large additional capital, and be compelled to devote much of his time and thoughts (which he can now concentrate upon his own more immediate calling) to the cares which the necessity of going, or seeking in so many different directions, would impose on him. One consequence of this would be, that clothes would be dearer. The draper is to manufacturer and tailor, what the Merchant is to the inhabitants of two distant countries: he saves them the trouble of working out, applying to, and communicating directly with each other. He thus saves the time and capital of both.

9. So important is the saving effected by his intermeddling that, although he, the draper, must have a profit on the cloth he sells, and although the purchaser of the clothes made out of it has to pay this profit, as well as the manufacturer's profit, and the tailor's charges besides—nevertheless, the latter can make and sell cheaper than he could, were there no such useful intermediary as the woolen-draper.

10. It is the gradual discovery of these, like the one just mentioned, that has led to the division of business; which is, indeed, one and the same thing with the Division and Combination of Labour.

CHAPTER X.

THE SCHOOLMASTER—EDUCATION.

"What would you give for knowledge?" asked Dr. Johnson of the boy who was reading him and his biographer, Boswell, on the Thames. "I would give all I have," was the reply; an answer which the philosopher observed to his companion displayed the natural propensity of the human mind for information. Now it rather shamed that the boy was

* This quotation I find in my library stated; but I think it is giving the expression just as the said boy has actually uttered it.

of a thoughtful man, and had been led to notice, and thence to reflect upon, the advantages which these educated slaves or the uneducated. Ignorance does not necessarily correct knowledge. It needs observation and reflection to form an estimate of the benefits conferred by Education. Learning would not be the task it is to many, were they gifted with the slurs drawn and proper notation evidenced by the owner of that poor boy. He had, probably, noticed the difference between skilled and unskilled labour; (c. vii, sec. 4.) and, perhaps, between the skilled labour which never goes beyond the mere mechanism of a craft, or an art, and that which comprehends and grasps the principles of that mechanism. He knew that the artisan who planned and designed his boat, the boat-builder, was superior to the boat-carpenter; that the master-mariner or navigator ranked above the able-bodied seaman, as the latter does above the ordinary sailor; and he saw that this superiority was the result of special training—of Education.

2. Supposing that his reflections had not led him to do so, that he had scarcely not failed, as his reply proves, to observe that business transactions depend, more or less, upon a knowledge of reading, writing, and arithmetic; and that the three are all but indispensable towards getting on in the world. Boy, besides, which is not unlikely, that he had an older brother at sea, and that his brother and parents, as well as himself, were ignorant of the art of writing; he would have had frequent occasion to lament this ignorance, which left the whole family at the mercy of others as respected their correspondence. Even if friends helped them in the matter, still most people have their little family secrets, dear to themselves, which they have much at heart to talk about, but which they hold sacred from the gaze of others. And this one ignorance alone would fill a thoughtful and affectionate lad's soul with bitter regret, that he had never had the opportunity of acquiring a knowledge which would have saved him and his many a heartache.

3. It is related of Boadicea, the celebrated Amazonian mathematician, that, when ambassador from the United States to France, he conversed at the Court levees with his brother Diplomats, representatives of countries from all parts of the globe, in their several languages, European or Oriental, and did so fluently and correctly as if speaking his mother tongue. Now it is impossible to over-estimate the vast advantages which such a mastery of languages gives to one holding the high and responsible position in which he was placed,—the facilities it afforded him towards transacting business with his colleagues,—the mistakes, misapprehensions, blunders which it was calculated to obviate. It made him, in his own person, equal to them all collectively, no less than individually.

4. He who cannot read must take everything upon trust, out of the circle of his own immediate experience. He who cannot write is severed from his friends and relatives, when at a distance, almost as much as if they were dead. He who is unacquainted with the elementary rules of arithmetic can neither buy, sell, nor offer his own labour free from dependence upon the fair dealing of others. But he who can read, write,

and rights, has the keys of the three entrances to the whole field of knowledge; and, by wise use of them, may rise to eminence, whatever line of life may be his choice or portion.

3. Mathematic, tradesman, merchant, farmer, booker—each calling, art, profession, industry, all require, for complete success, the same basis on which to rest; all require a general as well as a special Education. In other words, the use of the tools necessary to the masters, and the knowledge of his branch of business essential to the tradesman, are (other things being equal, as, for instance, health and natural aptitude for a particular calling), more readily learnt and thoroughly acquired by an educated than by an uneducated person. Moreover, it should ever be borne in mind that in a free country like England, where men are called upon to perform various duties in their capacity of citizens, as, for example, to elect their representatives as Parliament, to fill parochial and municipal offices, to sit on juries, etc., and where the highest political posts, as well as the highest grades of rank, elect of royalty, may be reached by the most humble born, he who confines himself to the acquisition of a trade or calling, without aspiring to anything beyond the knowledge required for its exercise, forfeits, like *Blow*, his natural inheritance, and misses opportunities that are his birthright.

4. The mind is made for growth no less than the body, and Education is its food. To be taught to think, to reflect, to reason—to be taught to discern between good and evil—to be taught to shun what is wrong, however tempting, and to cleave to what is right, no matter what hardship, loss, suffering, or self-denial it may involve; in brief, to instruct so that the pupil will do his duty intelligently and faithfully, in whatever station of life his lot may be cast, is the end and aim of a liberal Education. He who thinks rightly, expresses himself clearly, and acts justly, is an educated man, although he may know no other than his mother tongue; whilst he who can speak half-a-dozen languages, but who reasons incorrectly, acts foolishly, and tells by rote "like poor Poll," is an ignoramus.

5. Every social improvement, each advance in civilization, is the work and fruit of Education. The state of its schools, colleges, and universities is a sure test of the progress of a nation in the paths both of material improvement, that is, of politico-economic knowledge, and of virtue or real happiness. It has become proverbial to say of the mental growth of a people, "the Schoolmaster is abroad." He is the architect on whose foresight and experience largely depend the stability and well being of the future of mankind; and where his usefulness is most recognized, and his character held in highest honour, there is the best earnest given for the national security and welfare.

CHAPTER II.

PUBLIC SERVANTS.

1. From the Cabinet minister to the policeman, there are many thousands of individuals who are paid for the services they render to the community by the public at large, and are hence styled Public Servants, or Servants of the Crown. It is for their payment, and for other purposes requisite for the maintenance of Government, that taxes are raised. The humblest labourer has to contribute to this end, as well as the wealthiest citizen. At first sight this seems unfair. But when it is considered that the poorest needs personal protection from the evil-doer equally with the richest, that his security belongs are no less valuable to him than are his many possessions to the latter, and that had he to provide for his own security he would run innumerable risks which he is now spared, besides having his labour constantly interrupted by the necessity of protecting, or endeavouring to protect, himself from wrong, the inference disappears. He goes infinitely more through the safety and tranquillity secured him by a well-ordered Government than he does by the cost of taxation.

2. In half-civilised countries the farmer goes to his work, armed; the merchant and traveller have to pay heavily for escorts to guard themselves and their goods, and after all, they journey with constant danger to both person and property; the law, such as it is, is unable to protect them. Justice in these lands is administered so capriciously, partially, and unequally, that the rich violate impunity, and the poor honest man goes to the wall, whilst the weak are never safe from the rapacity, or from the violence of the strong. In such a state of things—trade, commerce, agriculture, alike suffer. Employment is scarce; often interrupted; and its remuneration precarious. The mass of the people is sunk in abject misery.

3. Regular and well-paid employment depends, ultimately, upon the security enjoyed by employer and by employed. This security is provided for by a well-administered Government.

4. Just as it has been shown that for a man to be his own bossman, trader, hatter, etc., is to work at a serious disadvantage, and to forfeit the countless benefits of Division of Labour—as for a man to be his own negotiator, policeman, postman, roadmaker, etc., would be to fall back upon the average man. Even were it possible for him to be all these to himself, it is far more profitable for him to pay for the services of these functionaries, out of the gains he is enabled to make by being relieved from such work. Looking at it merely in a mercantile point of view, as a question of profit and loss, no money is better expended than that which purchases good Government.

3. A slight acquaintance with history, and with books of voyages and travels, will afford ample proof of the truth of this assertion. Less than a century ago, highway robbery was as common in England as in our days they have been in Spain and Italy. The Mediterranean was infested by pirates, from Algiers and other African ports, to the great injury of commerce, comparatively a few years back. Safe and rapid travelling has arrested trade, and given thousand employment to an extent which, but fifty years ago, would have been pronounced a sheer impossibility. The suppression of piracy has been attended with this advantage, and especially, has called into existence a brisk coasting trade, which, previously, was too hazardous to be undertaken.

4. In proportion as a nation becomes educated and enlightened, so do the functions of Government become fewer, more simple, and less expensive. The Governments of most Continental countries undertake, and are expected to discharge numerous duties, which we in England have long been accustomed to retain in our own hands. For instance, the French Government provides for the making of roads and formation of canals—for the due execution and executing of which special public departments have been instituted, with their respective staffs of officers. With us, undertakings of the kind are inaugurated by private enterprise, and, together with many other important branches of public accommodation, such as the construction of docks, etc., are carried out and managed by local authorities chosen from among ourselves, and beyond the control of the executive or general Government.

5. A marked difference has thus been created and established between free peoples such as we and our transatlantic brethren, and the populations of the Continent whose Governments are, more or less, despotic. The people there inevitably look to the administration to take the initiative in all public undertakings, and await its pleasure for ameliorations and improvements. Here, and in the United States, directly a want is felt, the public voice makes itself heard; public spirit finds the means to supply the want; and the Government, if its sanction be required, responds to the call. The distinction pointed out marks a difference as complete and contrasted as that between walking independently of aid, and walking, childlike, in leading strings. Hence the fact that England has taken among the nations in trade, commerce, agriculture, colonization, and in all that constitutes the strength and vitality of national existence. A people who confide in their own energies and depend upon themselves, are like the "house built upon a rock."

6. Hence, too, it follows that the less a Government interferes with the business and the industry of a people, and the more strictly it confines itself to fulfilling the two grand objects for which Governments are established—namely, the protection of person and of property, in other words, to the securing each and all its subjects indifferently from criminals, violence, and wrong, the more self-reliant, energetic, industrious, rich, powerful, contented, prosperous, and happy that people will become.

7. A striking illustration of the great truth just stated—that the

proper business of Government is to protect its subjects so that they shall enjoy full liberty to dispose of their talents, industry, means, and labour as they themselves think fit (carrying them where they like, using them as they like, so long as they do not infringe the rights of others, and exchanging them at home or abroad as they judge best suited to their interests) in furnished by the marvellous manner in which towns, and the larger the towns the more marvellous the spectacle, are supplied with all the necessities, comforts, and elegancies of life, their shops, markets, libraries, museums, places of entertainment, churches, and temples, apparently "without number, numberless"—without Government direction or interference; without any preconceived plan or systematized co-operation—simply by leaving their populations to the guidance of individual experience and of individual interests. (p. 11, sec. 8.)

10. Nevertheless, it is obvious that, although this unfailing supply is secured by the non-interference of Government, any interference on the part of which would obstruct rather than assist, yet that without the protection afforded by Government, instead of supplies coming in with the unobscured regularity of the heavenly-ordered tides themselves, all the industrial relations on which the supply hinges would be interrupted, and, as it were, put out of gear, through the sense of insecurity which want of protection for person and property would be certain to provoke.

11. So, we require the kingdom at large without army and navy, without administrative and executive departments of State to regulate home and foreign affairs, without judges, magistrates, and police, to enforce due observance of the laws—trade and commerce would be virtually annihilated, and we should relapse into a state of barbarism.

12. The conclusion then to be drawn is, that the nation which provides wise statesmen, upright judges, active and conscientious magistrates, and the necessary amount of army, navy, and police, is at once a rising and a blessing to the country.

CHAPTER XII.

THE BANKER—CREDIT.

1. There is no subject treated of in this little book that does not afford matter in itself for a volume; and none in the whole range of Political Economy is so difficult to understand thoroughly in all its details and complications as that of the present chapter. Banking, as the business of the Banker, is, in fact, at this moment undergoing many important modifications, which may be regarded as so many economic problems that time and experience alone can enable the political economist fully to appreciate and solve.

3. Before, however, endeavoring to explain what Banking is, it is an essential preliminary to have a clear notion of the nature of Credit or Trust. Credit is no trade and commerce, what the law we breathe is to us. Blatant treacheries, or more, of the business transactions of the world are carried on by the agency of Credit. But it must be borne in mind that although Credit is, in one sense of the word, Debt, yet that mercantile Credit, and Debt in the common acceptation of the term are two distinct things, as opposed to each other as are the north and south poles. A man is said to run into Debt when he gets Credit beyond his prospective means of repayment; in which case he is extremely weak and foolish, or flagitantly dishonest. A man is said to have good Credit, in the commercial and legitimate sense both of the word and of the thing itself which the word is used to signify, when, from his previous career and dealings, from the punctuality of his payments, the skill and knowledge he displays in the conduct of his business, from his proved sense of honor and high moral character—the merchants and traders, at home or abroad, with whom he deals, or who know him by repute, are ready to execute his orders for such goods as he may require upon his own security—in the firm faith that when the hour of payment arrives, they shall have their money punctually to the minute.

5. Suppose that a merchant, bearing the high character just described, has a capital of twenty thousand pounds through the Credit he has acquired by the probity of his dealings and his knowledge of business, he will be readily trusted with goods to a far larger amount. It is considered certain that he would not have given the order, unless he had made arrangements for their sale which would enable him to meet payment for them when due, or else had other resources out of which to fulfill his engagements. Now, one of the means by which he has it in his power to contract and meet engagements exceeding his actual wealth, is the Credit he has with his Banker, who will advance him either cash, or value equivalent to cash, in exchange for the bills or acceptances he may receive in payment for the goods as he disposes of them, or even on the security of his own promissory notes. For this advance the Banker charges a certain per-centage, by way of interest, deducting it from the sum he loans to the borrower, and which per-centage is termed *Discount*.

4. Thus the Banker deals in Credit, which takes the form of cash, or of value equivalent to cash, such as bills of exchange, notes of his own issuing, or those issued by others, &c. These values are very commonly supposed to be and are, indeed, generally styled "substitutes for money," or "representatives of money." But Money, as we have seen, is simply a sign that a service has been done (c. 14, sec. 6.) and a pledge or surety that an equal service shall be rendered for it. In like manner, bills of exchange, promissory notes, bank notes, bank bills, Bankers' cheques, and other forms of commercial Credit are signs that a service has been done, and a token that a like amount of service is payable when wanted. Therefore they are, each in its own way, value; and, together with specie, they constitute the *Currency* or *Circulating Medium* of civilized countries.

5. It behooves the student to pay particular attention to the economic fact just pointed out, namely, that bills of exchange and other kindred forms of commercial Credit have a value of their own, similar to that possessed by coin, and that, together with coin, they enter into the circulation of a country and form part of its wealth; otherwise, he will be liable to gross confusion of ideas, and to ascertain serious errors on the subject.

6. Observe, too, that—speaking of the assistance given by the Banker to the merchant, it is stated that he advances to the latter cash or notes in exchange for the acceptances or other securities the merchant may deposit with him; since the Banker much oftener buys such acceptances or securities with his own notes, or with some other form of Credit than with specie.

7. In fact, instead of dealing in money, the Banker, contrary to the generally received idea, deals in Credit—just as the Merchant deals or purchases with Credit. For instance, a merchant, manufacturer, or tradesman of good repute is allowed by a Banker to open a Credit with him; that is the Banker agrees to allow the applicant, on certain conditions, to draw upon him to the extent of so many hundred or so many thousand pounds, as the case may be, on which the applicant makes his payments, as his needs require, by drawing cheques upon the Banker. In other words, the applicant is placed in the same situation as if he had actually deposited in the bank the sum to the amount of which he has been authorized to draw upon it for; and thus the Banker sells him Credit, which he pays with that Credit.

8. Before the introduction of Banking, tradesmen and merchants had to keep money by them in order to meet their payments. Thus, besides the risks from fire and theft, was keeping their money idle. When Banks were established, the necessity for running these hazards was done away with. They opened an account with a Bank, that is, they deposited with a Banker the money which they used to keep at their own houses, and made their payments by drafts upon him. Say, now, that fifty merchants who had been in the habit of keeping by them a thousand pounds each, to meet liabilities, placed the whole amount, £50,000 in all, in a Bank. As one drew out, others would be paying in. Besides, payments would often be made by a transfer of the money lodged in the Bank, from the Credit of the payer to that of the payee; so that payment consisting in the simple substitution of one name for another, no cash would be required to complete the transaction. The Banker would learn by experience the amount of cash he was likely to be called upon for from day to day; and on finding that payments were frequently made by transfer of Credit, that as one set of merchants drew cash out, others paid it in; and that, therefore, the keeping the whole fifty thousand pounds shut up in the strong box was unnecessary, he would release a large portion of it from its state of idleness, and lend the same out on good security. The money thus released would pass into circulation and increase; for money makes money.

9. It is astonishing, moreover, how small a sum, comparatively,

of such or specie is required for circulation when supplemented by Credit, that is, by the issue of bank-notes, of cheques, bills, promissory notes, and other values, as well as by improvements in the operations of Banking itself. Thus about seventy millions of coined money in gold, silver, and copper are found to meet the requirements of the vast trade and commerce of England; the remainder of the Circulating Medium demanded for the transaction of business being supplied by the values above specified, to the enormous amount of at least one thousand millions sterling yearly. A return furnished to a Committee of the House of Commons, in 1863, by the managing partner of one of the largest houses of business in London, shows that out of each million sterling of payments and receipts occurring in the transactings of that house, only £27,618 were paid in gold, and £2,879 in silver and copper; the remainder, or £969,514 out of each million paid and received, was liquidated in notes, cheques, bills of exchange, and other mercantile values; in short, was paid by Credit.

10. Now, as Credit performs the part of money, it can be used, like money, as Capital; so that a man's character, through which his consumable Credit, is equivalent to money, therefore to Capital. Honesty is, indeed, the best policy.

11. From the foregoing sketch it will be seen how important a part the Banker plays in the operations of commerce. Banking has been the backbone of the numerous industrial enterprises, which are amongst the distinguishing characteristics of modern times. The Credit created by it has multiplied a million-fold the exchanges that unite nations together by the strong bond of mutual interests; has opened up new channels of intercourse, enlarged the area of the comforts, conveniences, and elegance of life; supplied the means of benefits not only to the present, but to future generations; and has increased, and is increasing, the sum of the general happiness of mankind, by converting paper into riches as real, substantial, and productive as those precious metals which alone were once believed to be wealth.

12. This valency, however, applies to Banking solely when it is conducted on the principles which experience has demonstrated to be essential to the soundness and stability of the system. Some of the most disastrous commercial crises, or wide-spread failures are termed, involving almost national bankruptcy and the ruin of hundreds of thousands of innocent persons, have been brought about by the violation of these principles either through ignorance or fraud. Credit is like the magnetism, powerful and mighty for good when properly directed and controlled, but as powerful for destruction when entrusted to incompetent hands. It is easy to issue paper in the shape of notes, bills, &c., and this paper is a prolific addition to the mass of a nation's capital so long as it is exchangeable for money, or for money's worth. But the instant that confidence is destroyed by ignorance or fraudulent multiplication of paper through over-issue, beyond the actual requirements of sound trade, that instant its value is depreciated, and, unless steps be immediately taken to avert the catastrophe, it goes on sinking (whether

that of such an specie as rarely continues to rise) until it becomes valueless.

13. Banks are commonly divided into Banks of Deposit, and Banks of Issue, according as they do, or do not, issue their own notes. But all Banks, without exception, receive deposits, that is, money or notes placed in them by their customers; and were these Banks which do not issue notes, nevertheless were cheap, which gave just as money and notes do, and so enter into, and form part of the Circulation, they are in power of fact equally Banks of Issue with those ordinarily so denominated; hence the usual distinction between the two is as unfounded as it is useless.

14. Again, when we read in the papers that a Bank has such or such a Capital, we are apt to suppose that the sum specified is lodged in its strong box. Say that it is a Joint-Stock Bank (which is one having a certain number of shareholders or proprietors) with a proclaimed capital of a million; far from having this million locked up in its coffers, the probability is that not a fifth part of it, if so much, has ever been paid up; and if that sum, or two hundred thousand pounds have been paid up and deposited in the Bank, the certainty is that no such amount is retained in it; 'twould be like keeping horses without working them—"cutting off their heads," as the phrase runs. For, if the chief proprietors of the Bank are favourably known to the public as men of substance and probity; if there is felt to be a want of such a Bank, and of the facilities which it will afford to the trading and commercial world—this is quite sufficient for its establishment. Accounts are opened with it, deposits paid in, and transactions to the amount of millions take place, simply through the Credit which its proprietors and its managing men have with the public.

CHAPTER XIII.

CAPITAL—INTEREST.

1. The possessor of a plough can cultivate a larger quantity of land than the farmer who has no plough. Now, when he who is without a plough seeks to borrow one, his owner may reasonably allege that if he lend it he will lose the use of it meanwhile. The person wishing to borrow will therefore be likely to offer him for the loan a share of the produce which he hopes to raise by means of the plough, or so much money out of the sale of the corn or other produce which he expects to grow. The principle is the same whatever be the object it is required to borrow, whether money or any commodity whatever. Just as he who borrows money pays the lender for the use of the sum lent, or so the borrower of the plough pays the owner, so does the tenant-farmer pay

the proprietor of the land for its use. In the latter case, the sum paid by the tenant is termed *Rent*; in the case of the borrower of money, the amount paid for its use is called *Interest*. The lender can justly claim *Rent*, because he lends land which he might put to use himself; the money-lender demands *Interest* for the *same* reason.

2. Now, the plough in the case hypothetically put in the foregoing paragraph,—land, money, in short, all things which help man to increase his means, or to gain his living, are *Capital*. A workman's tools are his *Capital*, so is his labour. When a man takes and furnishes a house in order to let lodgings, house and furniture are his *Capital*. He who neither has tools, nor any means beyond health and strength, has no *capital*—a *Capital*, by the judicious use of which he may rise, as others have done and are doing, to fortune and to fame, and become the benefactor of his fellow-man—he has his labour.

3. A man's labour is his own. It is his property. When he puts it to use and earns money by his work the labour becomes *Capital*, yielding a profit on its use. Savings out of the profits of bodily labour, prudently invested and accumulated, have laid the foundation of many a princely fortune. The labourer becomes the founder of a family, transmitting an honourable name and ample means to his posterity, and leaving us, may detect the fallacy of the disappointed miser's too often heard: "There is he and so, he is enormously rich, as were his father and grandfather before him, all because they were born my how unkind and cruel that they should roll in wealth without doing a stroke of work, whilst you and I can hardly live by the sweat of our brow." Money, as has been fully explained (c. vi., see §), if a man takes that a service has been done, and a pledge that in paying it over to another an equivalent service can be had for it. If a man inherits millions, they are in many proofs of exchanges made, of work done, of, in short, services rendered by the person who left those millions, or by his ancestors. It should be, then, instead of wasting his property in self-indulgence, lend it, or, if the property consist of land, lease it—he does good and renders a service to others, and is entitled to payment for such service, that is, to *Interest* or to *Rent*, as the case may be. Whether he lend to traders and merchants, or let out his estates in farms to tenants, borrowers and routine both expect to be generous by the transaction as less than he. The obligation is at least reciprocal.

4. Whatever can be put to use and can be exchanged, may constitute *Capital*. Therefore, Education may be *Capital*. A man educated so as to fit him to be a clergyman, physician, lawyer, statesman, astronomer, chemist, engineer, scrivener, teacher, &c., carries his *Capital* about with him in his mind, as the ordinary labourer does his in his body; and for more wealth and for greater honour are acquired through the agency of this unseen, intellectual *Capital*, than by any other means whatsoever.

5. That *Capital*, with the exception of mere bodily labour, is for the most part the result of the accumulation of previous labour. The possessor of a plough has either inherited or purchased it. Either way,

the plough is the result of accumulation of previous labour. The greater the amount of accumulated labour, that is, the more tools, implements, manufactures, machines, ships, money, there are in any country—the more, and the more profitable, employment is in that country. Without Capital, and without, especially, a large fund of accumulated previous labour, industry, in the extended sense of the word, cannot exist.

6. Capital, however, and this is a point deserving the special notice of the student, may be, and is largely created by accumulation, no less than by accumulation. For as we begin with our resources the results of the labour of our ancestors, together with our own additions to the general stock—whether there be raw materials, chemical and other scientific discoveries, the precious metals, merchandise, agricultural improvements, moral development, or social institutions—so we draw upon them in return for the advantages, or supposed advantages we have, for some of immense amount as useful as to delay the cost of undertakings which, without thus laying a share of our burdens upon posterity, we should be unable to execute. The Public Funds, the annuities (a debt assumed at different periods to meet the cost of presumed necessary wars) and works of general utility, as fortifications, docks, harbours, roads, railways, whether undertaken by Government or by individuals, fall under this category. The interest on the Capital stock is now expended in a debt drawn upon posterity (and such Capital or Public Debt is liquidated in full) to be yearly honoured to the end of time; and therefore, in common honesty, no future wars ought to be carried on by loans adding to the heavy burden of the National Debt, without the clearest demonstration of the absolute necessity for the step. But as respects private undertakings, or however private a work, as docks, canals, railways, land and ocean electric telegraphs, drainage, sewerage, water-supply, etc., their success will ever depend upon the demand there is for them, and so long as this continues there can be no doubt of the readiness of future generations to pay for them too.

7. Another specialty to be borne in mind is the distinction between Fixed Capital and Circulating Capital: terms of common occurrence in speaking of monetary matters and in politico-economic writings, which are, however, often very loosely and inaccurately employed. The distinction arises from the use to which Capital is put. Thus, in fact, the manner of its employment. For instance, if a Capitalist builds a ship, and, as soon as he has sold it, denotes the proceeds of the sale, or a sufficient portion thereof, to building another, his Capital clearly circulates, and it may go on building ships, giving employment, and bringing in interest in the shape of profit, that is, it may go on Circulating as before. But if, when he has built a ship, he buys and sells it either on his own account, or as that of others, his Capital becomes Fixed in the ship. The use to which he has put the ship may or may not be profitable, but, either way, his Capital remains Fixed therein,—it does not Circulate.

8. Quick sales, or returns as they are called, with even small profits,

are advantageous, because the Capital employed Circulates again and again, the capacity of the Circulation yielding a large aggregate profit. Just as frequent turnings of the soil, by bringing its particles into contact with the fertilizing powers of the atmosphere, increase the crop, so the quick Circulation of Capital develops and increases individual and national wealth.

CHAPTER XIV.

VALUE—DEMAND AND SUPPLY.

1. The pay of labour, it has been shown, (*q. vii.*, see *4*) depends in large measure upon the kind of work required to be done, and upon the ability of the workman. But there is another element to be taken into consideration which ultimately regulates the price of all things; namely, the Demand for a commodity, and the abundance or scarcity of its Supply.

2. A useful, generally speaking, is accounted more valuable than a less useful article, and this impression is so strong and so natural that many political economists have conceived Utility to be the essence or cause of Value. Yet were that so, a loaf of bread or a log of wood would be infinitely more valuable than the Keshabpur. Other political economists have come to the conclusion that it is the Labour bestowed upon the production of an article which imparts to it its value. But were this the case, a sign-painter's sketch, which it has taken him several days to execute, would fetch a higher price than the sketch of an accomplished artist dashed off in the same number of hours, perhaps of minutes.

3. Pearls, observes Archbishop Whately, are not valuable because men die for them, but men die for them because they are valuable; a decisive proof that it is not Labour, even enhanced by danger, which gives pearls Value. Otherwise, stones fetched up from the bottom of the sea, with the same toil and risk, would command the same price as pearls. Nor can it be their Utility that renders pearls valuable. They cannot feed the body, warm the mind, heat the sick, or be serviceable tools like the spade and plough. It is plain that there is something outside of either Labour or Utility which invests them with Value. They are desired. This desire occasions a Demand for them. The Demand makes them objects of Value, and their Value is regulated by the intensity of the Demand, and the amount of the Supply. In other words, the Value of a thing is estimated to that thing whatever it may be, and resides not in the object, but in the mind which desires or wants that object.

4. Nevertheless, Labour and Utility, to a certain extent, do each give

Value to the objects on which the use has been exercised, and in which the other is consequently found. Still, they are simply the accidents of Value. Demand is its essence, its rule and only cause.

5. To exemplify this exacted truth still further—A block of stone, worth five shillings in the quarry, will, when hewn, squared, dressed, conveyed to the spot where it is wanted for houses or bridges, and finally fixed in its destined place, be worth, say, five pounds. The difference between its original and its subsequent Value has gone to remunerate quarrymen, stone-cutters, waggons, mason or builder, architect, etc., and (since the damage to tools, the loss of horses, the wear and tear of waggons and of harness, all enter into the estimate of the worth of the services of the various operatives who have been employed upon it, that is, are taken into account in their wages) has furthermore gone to remunerate tool-makers, blacksmiths, wheelwrights, farmers, saddlers, etc., etc. Here, then, Utility and Labour are both incorporated in the block of stone, and, apparently, combine to raise its Value. But, unless it had been wanted for building purposes, unless, that is, there had been a Demand for it, the block would have remained in the quarry. Demand called it into existence as it were, and stamped it with Value.

6. So a hundred-weight of iron ore is worth, say, two shillings; a hundred-weight of bar iron, of iron extracted from the ore, would, at this valuation, be worth three pounds. Manufactured into horse-shoes, the same weight of iron would rather be set to seven pounds; into half-blades, ninety pounds; into pen-knives, fifteen hundred pounds; into ornaments of cut-steel, from two to three thousand pounds; and manufactured into watch-springs, might be valued at one hundred thousand pounds and upwards. Labour and skill alter these changes, and Utility enters largely into most of the articles. Nevertheless, it is only the Demand for them that causes them to be manufactured, and which, consequently, gives them Value.

7. Thus, when Demand springs from necessity, as when we eat to want of food or clothing, or when we require tools or other mechanical aids, the Value of the things we want comes to us from their Utility. When we please our fancy with ornaments and articles of luxury—show beauty, real or imaginary, and the skill, talent, and labour which have been employed in their production, seem to be the origin of their Value. In such cases, however, and whether the article required be useful or ornamental, or be the result of much or of little Labour, it is our want of it or desire of it—in short, the Demand for it which constitutes its Value, and the mass of Supply which regulates that Value.

8. Gold and silver are, as we have seen (p. vi), not, 7), valuable where their use is unknown. And where used, their Value varies, like that of all other commodities, according to the rate of Supply. They are about fifteen times less valuable now than they were in the sixth century; that is, one pound would buy them when it would now require fifteen pounds to purchase. This alteration is purchasing-power or Value has been brought about by the discovery of fresh mines, and the consequent larger supply of the precious metals. It is not the nature of

the metals which has changed, but the increased quantity put into circulation which has reduced their Value. So that it is with gold and silver as with other articles. Their Value is based upon the Demand for them, and is regulated by their more or less abundant Supply.

8. The same law holds good as respects labour, whether mental or intellectual—(c. ii., sec. 1.) Wages rise and fall with the number of workers in the labour market, and with the Demand for their work. A good workman earns more than a bad one, a masterly artist more than a mere draughtsman, an eloquent and able more than a commonplace lawyer—earn more as a rule, although a rule which has its exceptions; more ingenuity, greater, or stupidity on the part of the public, not to mention other countervailing influences, may cause the Demand to run in a wrong channel. Poor workers with hard and with brains have often lived in the lap of plenty, whilst their betters, whose wants posterity has hastened to recognize and honour, have starved.

10. The wants or desires of mankind (that is Demand; and, therefore, the true and only source of Value; and the amount of money (or of things) men are willing to give to obtain that which they want or desire, is the measure of Value.

11. It is the wants of man which have called into being those great instrumental causes—the Church, the Law, Medicine, Literature, Painting, Sculpture, Music, the Drama, and the Military and Naval Services. Were universal peace the rule on earth, these last-named two great articles, the Naval and Military Professions, would disappear. If man ceased to care for the Arts and for Literature, the literary and Artistic causes, the civilized world over, would cease to exist, even as they are non-existent in savage countries. Demand alone calls forth producers and providers. Demand alone gives Value to either.

12. Before concluding this chapter it is necessary, for the more thorough understanding of its subject, to explain the correct meaning of two words which are very loosely applied in politico-economic writings generally,—viz., Production and Consumption. Articles, before they are purchased, are classed by most political economists under the head of Production; after purchase, under that of Consumption. A loaf of bread, a coat, a gown, are products, but since their mode of production does not belong to the sphere of Political Economy, which deals with Exchange only, the true meaning of "to produce," in strict politico-economic language, is to place a thing in a given spot—market, shop, or market—with the view of exchanging it for some other thing. For the same reason, although loaves, coats, and gowns are "consumed" (eaten, worn out,) the fact of their Consumption (or destruction) has no place in the science. Besides, innumerable products are made and bought not to be consumed, but to be kept,—as ornaments, works of art, &c.

13. It makes no difference, moreover, how an article is formed, or produced, whether by growth as corn, or by manufacture, or by commerce. He who offers a thing for sale is, in a politico-economic sense, the Producer; its purchaser is the Consumer. Offering for sale is Pro-

decline, purchasing is Consumption. Hence Production is equivalent to, and but another word for, Supply; and Consumption is one and the same thing with—Demand.

CHAPTER XV.

MACHINES.

1. Machines are inventions to save or spare labour; and as the words "work" and "employment" are very commonly used to signify one and the same thing, the misapprehension arose that Machines deprive the working classes of employment, a misapprehension which has frequently produced most mischievous consequences; but the truth of the matter is, that labour saved or spared increases, instead of diminishing the area of employment. This has been shown in the chapter on Division of Labour, and will be further explained here.

2. Amongst the earliest Machines invented, it is probable that bows, arrows, and spears for the chase—hooks and nets for fishing—and the spade, plough, and harrow for tillage, took the lead. Man requires food, and, except in extremely favourable climates, must have some sort of clothing, as the skins of beasts for instance, or wool. The labour of hunting, fishing, and of cultivating the ground was lessened by these inventions, and the area of employment was enlarged, whilst at the same time work was rendered easier and more certain by men's exchanging different occupations and exchanging with each other the products of those occupations.

3. Every new invention, or Machine, for saving labour, when perfected and brought into efficient operation, adds to our material well-being; to either our comforts or our enjoyments. It is as if the seasons became more friendly, and the earth more productive. When the water-mill and wind-mill replaced the Quern or hand-mill (still used in some of the Scottish isles, and as general in the East as it was in the time of our Saviours), an immense amount of labour was saved, with an immense gain to employment. The time devoted to the tedious and imperfect process of grinding corn with the hand-mill could be given up to other necessary avocations, and the "Daily bread" be forthcoming nevertheless, or, rather, the more readily. The same result follows the introduction of every useful Machine. The plough was a great improvement upon the spade. The steam-plough is a vast advance upon the horse-plough. The wagon and road-vehicle banished the pack-horse (necessary in its generation), and multiplied the interchanges which are the life-blood of national industry. The great coach was a great acceleration of intercourse and intercommunication. The railway has made it all but unknown among us—has bridged time, distance, labour,

and procured us the countless advantages which are the secured results of combining these three important elements in the life and happiness of man. Facilitating travel, expediting exchanges, and substituting machinery for brute labour—it has enlarged the area of man's action, quickened his energies, imparted to his industry as it were, expanded his ideas, increased his comforts, and extended beyond calculation the area of employment.

4. When railways were first projected, it was predicted, as amongst the evils they would infallibly cause, that they would put a stop to the breeding of horses, for which England had so long been renowned. The prediction, as prophecies often do, is a curious effect brought about its own fulfilment. So strong and so general was this erroneous impression, originating in pure ignorance of the laws of Political Economy, that when railways were coming into operation and horses by thousands were required more than before, we had to go abroad for a supply, because horse-breeding had been largely given up. But it was soon found that for every coach with his team, etc., wanted in the older time, seven were demanded for the traffic which sprang up between the numerous stations created along the different lines, and the adjoining towns and country. More coaches, more drivers, more horses, more cattle-dealers, more stable-keepers, etc., were called for, and, therefore, more graziers, more customers to the farmer for oats and hay, more farriers, more coach-builders—besides the host of porters, clerks, labourers, engineers, navvies, coal and iron miners called into action by railways, and through the impulse given to every industry by the new channels they opened up for trade. Labour was increased, employment multiplied.

5. The first thing which strikes the observer, after the successful introduction of a Machine to replace manual by mechanical labour, is that numbers of workers are thrown out of work. The mule, or spinning-jenny, swept away thousands of spinning-threads, the spinner's work was gone. So the cutters and the handloom weavers disappeared before the stocking-frame and the power-loom. The last points rest upon the public ear; and Machinery is at once denounced by the destructive as the ruin of the poor workers. Yet the very Machines that provoked their pity and indignation are giving bread to thousands, where handiwork only were employed before. The reason is not far to seek. Since the handworkers were able to produce only a limited quantity of the articles which they manufactured, the price of their produce was high, and, consequently, the demand for them circumscribed; whereas, through the increased power of production imparted by the help of the new Machinery, prices fell in proportion to the greater cheapness of production and greater abundance of the supply, and with the fall in prices arose a larger demand. This demand, in its turn, increased the supply. For, as the object of trade is to widen the circle of customers, it can be satisfied only by lowering prices: and prices can be lowered only by increasing supply through cheaper processes of production.

6. The spinning-jenny and the power-loom enabled the manufacturer

to produce largely and cheaply; and the workers required to manage them, the new race of operators and weavers called into active work, exceeded by myriads those thrown out of employ, who either would cling to a now half-starving occupation, or were too dull to learn the use of the new Machines. Thus new inventions of the kind are a partial evil, productive of a general good.

2. Take another instance. A considerable change is being brought about by the introduction of Sewing Machines. Needlewomen, generally speaking, are at present and have long been the worst paid of the whole working community. Hood's "Song of the Shirt" will prolong, whilst our language endures, the memory of their sufferings—of their almost incessant toil for pay, which hardly serves to keep body and soul together. And now Machinery has come into competition with them—sufficiently to take their quarter of a loaf out of their monthly Happiness the testimony of persons so competent to judge as they are benevolent in reaching into the means of distress, and into the means of relieving it, and who have made it their business to inquire into the condition of needlewomen, is manifest as to the improvement in their circumstances resulting from the use of these Machines. They all agree that Machine-sewing has rendered it possible to earn a comfortable, and not very laborious livelihood, by creating a greater amount of work, and advancing the rate of wages. Instead of working, confined to their own small rooms, there are now countless sewing manufactories where the women employed assemble, and where they pursue the various branches of their business—as making banners, mantles, dresses, corsettiery, shirts, chem-collars, stocks, neckties, etc. The consequences of this important change are daily becoming more obvious, and its advantages more marked. Many individuals, it is true, have been thrown out of employment, (an employment which was but a beggarly dole), since the management of the Sewing Machine requires a peculiar skill and dexterity not within the reach of every one; yet, on the other hand, far greater numbers than before are not only fully but remuneratively employed. A starving occupation has been replaced by a thriving one. Labour has been saved; employment multiplied; and wages have been raised.

3. Moreover, each new Labour-saving Machine, each new application of natural forces or agents, as steam, electricity, etc., to replace or to assist bodily labour, becomes, eventually, the common property, and lends us its aid for nothing. It is true that the inventor of such Machine, and the discoverer of such novel application of natural forces, has to be paid for a limited period for the use of his improvements, inventions, or discoveries, but when the term for which his Patent for the same lasts has expired, every one is free to avail himself of their use. Thus an immense Labour-saving fund has been created, facilitating and cheapening production in every direction, without costing any one a single farthing. Just as the power of the wind to propel the ship, or to turn the sails of the mill, is supplied, gratis, by Nature, so the unbounded and choicest powers brought into use by the inventive genius of man enter into the common domain, and are at the

service of all without charge. The sailmaker does not add to the price of his sail a charge for the use of the wind. The purchaser of a spade is not charged for the natural leverage resulting from the formation of the implement. And so with Machines. After a period as brief as to be almost momentary, a crystallization of power, and every effort affected by their instrumentality, like the wind and other natural forces, costs nothing. Labour is spared; production cheapened; employment increased.

2. The great and permanent advantage, however, to be anticipated from the increasing substitution of Machinery for bodily labour, is the enhancement of the reflective powers of the worker by the skills it makes upon his interests and judgment, and the time it will eventually secure him for mental improvement. It is hardly possible to master the working of a Machine without having seriously aroused, interest excited, and reflection developed by the ingenious adaptation of means to the end which a well-constructed Machine ever exhibits. The mind once fully awakened, the worker becomes, from a mechanical drudge, from a mere hewer of wood and drawer of water, an intelligent agent. Machinery saves time, and allows the worker to devote a portion of the time thus saved to consider and study the purposes for which man has been called into being by the all-wise Creator. Hence the diffusion of knowledge and general enlightenment which distinguishes the peoples, the working classes, of modern from those of ancient and of medieval times.

10. "It is," observed a leading politician* of the present day, at a scientific meeting—"It is to industrial science that we must look, not as a sole means undoubtably, but as an indispensable means, towards the development of a higher civilization. There is a slavery which we all understand, which we all denounce, which we all seek to do away with—that of man to man. But there is another kind of servitude, less known, indeed, because not created by the tyranny of man, but of circumstances—the servitude of those whose whole existence, from dawn to darkness, and from youth to age, is an incessant unrelenting struggle to supply their bodily wants. What is the first step to raise them—and even now they are not free—on a better and sounder position? Let us do nothing; charity can only do what is worse than nothing. What they need is to have a portion of their drudgery taken off their hands—to have slaves who shall work for them. Not human slaves—God forbid! but to man-man in their old-time hidden powers of Nature which it has pleased our Maker to subject to the control of man's intelligence and will. This is the first condition, circumstanced as we are, of genuine social progress. In that road we are travelling forward every day—the waste of human, the waters of our rivers, the forces stored in our coalfields are multiplying a thousand-fold the power of human muscles, and giving leisure for human thought."

11. The important truth, that labour-saving Machinery creates labour, yet lightens toil and shortens the time previously required for work—

* Lord Stanley.

thus giving the labourer both bodily rest and leisure for mental improvement—cannot be too often insisted upon. The extended consumption of commodities, brought about by reduction of prices, produces a demand for workers; the demand provokes competition; and competition induces a higher rate of pay. In fact, the history of the Machines in general now proves that, in their extended operation, they raise wages, while, at the same time, they lessen bodily toil. "There are still many occupations," writes Mr. Edwin Chadwick, "for which such relief, by Machinery, may be confidently anticipated. We may be sure, as a mechanical principle, that all continuous repetitions of the same motions, now performed by hand, will eventually be performed by Machinery."

12. More than a quarter of a century since, the same great authority on all politico-economic subjects expressed his confident expectation that sewing would be done by Machinery; an expectation which has been verified to the letter. At the same time, too, he expressed his belief that Machinery would come to the relief of the labourer and danger of quarrying, mining, and boring—a belief which has, happily, begun to be realized. Describing a Machine introduced into the West Ardara Colliery, Mr. Chadwick says:—"An increase of production with the present number of mining labourers is, of course, equivalent to a reduction of the most noxious and dangerous conditions of labour to which the working classes of the country are exposed. The success of the Machinery which gives the increased production, and, at the same time, sends a refreshing stream of pure air to the far distant waste, and thus protects the health of the worker, and reduces the danger of the explosions by which thousands of lives are annually sacrificed, is a master-argument against evil conditions which, in an intelligent, sound-hearted, and sympathizing community, ought, when the situation is properly viewed to it, to be received with more rejoicing than foreign conquests and victories at war."

13. Even were the immediate effect of the introduction of this newly-invented Machinery into collieries to be the reducing the number of workers, its ultimate result would be an increase of that number; whilst the benefit arising from the prevention, consequent on its use, of much of the disease and suffering which now foully shortens the lives of the miners, would more than compensate for any present diminution of employment. But in this particular instance of substituting the fact appears to be, according to a statement made at the recent meeting of the British Association for the Advancement of Science, held at Newcastle-upon-Tyne, that the introduction of this Machinery into coal mines, so far from materially diminishing the number of persons employed, will simply enable them to meet the increasing consumption of coal. This increase is estimated at two million tons of coal additional yearly; and to supply this increase of consumption would require an actual increase of labourers amounting to about 3,000 persons. Thus there will not be even a temporary displacement of labour. The Machinery will save that number of workers from a dangerous and life-shortening employ, will multiply for the benefit of those already

working in and pits their chances of safety from fire-damp, and, owing to their being released by its use from some of the most tedious and exhausting processes connected with underground labour, of general health benefits; while, ultimately, by cheapening production, it will give rise to increased demand, and a call for more workers, who will follow their calling under more favourable conditions than their predecessors. Labour will be saved; an article of prime necessity, cheapened; and employment enlarged.

CHAPTER XVI.

PROPERTY

1. The distinction between the *mine* and *man*, between the "mine" and "thine," seems to be almost an instinct. The bird evidently feels and knows that the nest which it has built, is its own. A baby, when anything has been placed in his hands, has been given to it as it were, regards it as being taken away. Yet, although the lowest races of savages often, individually, each is what he considers to be his own, as, for instance, to the weapons he has himself made, and to the fish or animals he has caught, it is some time before they take the next step towards the establishment of society upon a sound basis; that is, before they learn that the wisest method to preserve their own property is in respect that of others.—(c. ix., sec. 4.)

2. It is always desirable, and is indeed essential, to have a clear, firm idea of the meaning of the terms used in treating of any given subject. More particularly is this the case in respects terms which, from the associations they engender up, are liable to lead to erroneous notions—such as the notion or idea we are apt to form of Property. Since the term is usually connected with the thought of material objects, we associate the idea of it solely with visible and tangible things, and consequently regard those things themselves as constituting Property. Thus the idea suggested to most persons by the word "Property," is goods, chattels, land, money, &c., and things of all sorts—just as, when a man is spoken of as having a fine estate, the thought at once flies to the number of acres.

3. But, as has been already explained, (c. xiv., sec. 11.) there are many kinds of wealth or Property, which are either visible nor tangible, which are, in fact, incorporeal; yet which are as real and substantial as if corporeal. Property is one and the same whichever of the two it may exist in, whether in what is corporeal or what is incorporeal. So that any definition which restricts the idea conveyed by the word "Property" to things or substances, would suggest only half of its meaning.

4. Property, then, narrowly defined, is the Right to use a thing. It is not the thing itself, whether this be land, goods, money, or mind. It is an attribute of the Person; a personal Right.

5. When no Right is created, there is no Property. Goods may pass into the possession of a man, and yet no Right to them, or Property in them, pass with them. A man may enter a watchmaker's, take up a watch, and place thirty guineas in the watchmaker's hand, but unless the latter consent to accept the money for the watch, the would-be purchaser cannot claim it; he has no Right to it. There must be an agreement between the two, to constitute a Right; the one agreeing to give the money for the watch, the other, on his part, consenting to give the watch for the money. Before the Right to the watch can be transferred, there must be a consent of the mind come in. This consent gives the Right.

6. Thus, all Property is an incorporated Right to the corporeal or personal use, profit, or enjoyment of some thing or things. Artists, authors, lawyers, doctors, &c., live upon the products of their minds, upon the skill and knowledge they have acquired, or upon their natural genius. Their minds are their Property. Many other instances of incorporated Property will suggest themselves, but the foregoing remarks sufficiently prove that any definition of the word "Property" which does not include the idea of incorporeality, as less than that of corporeality, will not convey its true meaning—which is, that *PROPERTY* is not a *THING* but a *RIGHT*. In other words, Property is a personal Right, an attribute vested in the Person.

7. Now, things which may be the subject of Property consist of two distinct classes, viz.—things which are in existence at the time we buy the Right to them, as articles of food, clothing, furniture, horses, carriages, books, &c., and things which have no actual present existence, but which will come into existence only at future intervals of time. When we purchase land, or annuities, or invest in the Public Funds, we buy the use and enjoyment of rent, or payments, or interest falling due yearly, half-yearly, or quarterly, as the case may be. We buy future uses and enjoyments, as well as the Right of present use and enjoyment. This Right is capable of being valuation, as the value for the calculation of Annuities in books of Arithmetic serves to show. In the same way when a publisher purchases a copyright, a physician the practice of another physician, a tradesman the good-will of a business, or when one purchases a patent, or shares in railroads, canals, and other public undertakings—the purchaser buys a Right to presumed profits which do not exist except in the shape of probabilities. He buys future contingencies. So that a Right is really a thing which has no actual existence may be bought and sold like any existing article.

CHAPTER XVII

WAGES.

1. We all receive Wages, and are all one another's servants,—(c. ii., sec. 3.) The income of the Sovereign is the Sovereign's Wage. The income of the nobleman, in most cases, is the Wage (rent) paid him for the service he does to the farmer, by letting his lands: he serves his tenant, his tenant serves him. It is the same with ministers, judges, all the officers of State, and so throughout every class of the community, from the highest to the lowest. Master and servant, employer and labourer are mutually dependent upon and mutually serve each other. The name "Wages," however, is commonly applied only to the payments made daily, weekly, monthly, or yearly to mechanics, artisans, labourers, and domestic servants.

2. Generally speaking, the working man is paid by the day. Sometimes he works "piece-work," as it is called, that is, he contracts to do a certain fixed amount of work—whether it be of mowing, ploughing, reaping, building or what not—for a sum agreed upon between his employer and him. This mode of labour and of payment, when practicable, is the fittest for both. The workman is paid in proportion to his skill as well as his labour, and the employer secures his money's worth.

3. As already shown (c. xiii., sec. 2) the working man's skill and labour are his capital. They may be considered as much goods or merchandises, whose price varies with the supply and demand. No artificial means can either raise, or lower Wages, for any length of time. Before the laws of Political Economy began to be studied, Parliamentary and other Government enactments were frequently passed to fix the rate of Wages. But whether the object of such enactments was to maintain, to raise, or to lower the rate, they invariably failed. Natural laws will ever overrule man's laws. Men cannot be made to pay for labour more than it is worth to them; nor can men be forced to work for less than employers, who are in want of hands, are willing to pay. When labourers are more abundant than work, Wages will fall. When work is more abundant than labour, Wages will rise. The great natural law of Demand and Supply checks at all human interference.

4. But although Wages, like prices, follow the great law of Nature, it is the fact that, ordinarily, they are highest in those countries where the usual diet of the working classes is the most plentiful and the most nutritive. The Wages of the Irish, the Russians, French, and German working-classes are inferior to those of the English and Americans, whose general fare is better and more expensive than theirs. Yet it must not

be inferred from this that Wages rise with the price of provisions—the contrary being generally the case. The explanation of the fact simply is, that when the working-classes have long been accustomed to live well, their capital must have largely accumulated and greater freedom have been enjoyed; thence more employment, because more means to pay for employment. Moreover, the labourer who is fed well and sufficiently can do more and better work in a given time, than the underfed; is better worth employing; can earn more.

3. *Freedom*—the right of the labourer to carry his work where he likes, and to dispose of it as he likes—in the first essential towards maintaining a fair rate of Wages. The next essential is the abundance of capital in proportion to the population. The third is the degree of education attained to by the working classes.

4. *Without liberty to apply himself to such work as he may choose, and at such Wages as may be agreed upon between him and his employer, the workman is a slave.* To render an agreement a fair one, both the parties to it must be free to discuss the terms the one wishes to give and the other to take, and to enforce or reject them at their pleasure. Without capital, skill and general employment is impossible. Without having been trained to some branch of work, man is become a prodigal in it, that is, without a special education, the workman is an unskilled labourer, and earns the lowest Wages with the greatest amount of bodily toil. Whereas, with a good general education superadded to his special training, the workman (i. e., *see*. 5.) has it in his power, in proportion to his abilities, natural and acquired, not only to command the highest Wages of his calling, but to raise his life accordingly.

5. It follows that, to improve the condition of the working classes, and to raise them to the social scale by using all natural and mechanical aids and appliances to replace bodily labour (*see*. 14, 15.) their own utmost endeavours, as well as the efforts of the philanthropic, should be directed to establish entire liberty of transactions, in other words, perfect freedom of trade; to the accumulation of capital by saving; and to the increase and development of their capabilities for work by education, special and general.

6. The possibility of effecting this, although at the first glance it may appear chimerical, is a legitimate deduction from the obvious fact that the middle class has been, and is constantly being, recruited out of the operative class, and the higher classes out of the middle class.

7. It must never be forgotten, that as thousands pass out of a hundred of success in life, right, unceasing, unobtruding self-denial lays the foundation, and industry rears the superstructure; that as success is accumulated its rapidity of increase depends upon its being put to use, either at interest or in the shape of employment; and that as employment extends Wages rise, whilst as it diminishes, they fall. High Wages to the worker, when they follow the natural law of Demand and Supply, mean high profit to the employer.

18. It is a common error to suppose that employers can always contrive to keep down Wages; an error which leads to the contrary error

of workmen's combining to raise Wages, or to maintain them at a given level. Hence, "lock-outs" on the one hand, and "strikes" on the other. In particular instances, which, as grammarians say, are "the exceptions that prove the rule," such combinations may and do succeed for a time. But it is only for a time. Competition springs up among the employers, for their capital is lying idle; so they bid against each other for workers, and Wages rise in spite of their efforts to the contrary. On the other hand, in the case of "strikes," want of means compels the workers to forgo their claims, and Wages fall. The only universal regulative of prices are Demand and Supply.

11. Another error which, happily, is fast being exploded, is that Free labour cannot compete with slave labour. The history of those States and Colonies in which Slave labour has prevailed, or still prevails, distinctly demonstrates that it is far dearer, in every way besides, than Free labour. No man can force out of the slave the amount or the quality of the work which he could and would do, were he free, and fairly paid for his labour. The key-note alone in the free or non-slaveholding States in North America is surely no richer than that of all the crops—cotton, sugar, tobacco, rice, etc.—raised by slaves in the Southern or former slaveholding States. That interest—no less than Christianity, the moral sense, and reason—proves that slavery is a curse, a curse to the slaveowner as well as to the enslaved, and that labour, to reap its full advantage, must be free.

12. But, even as our "rights" are limited by our "duties," and secured by the very limitation, (RECAPITULATION—c. II., see 3), so there is a line beyond which liberty itself, coupled with ill-ordered self-interest, may give rise to slavery of the worst and most heinous description. A short-sighted utilitarian has led parents and employers to sacrifice children, mind and body, by putting them to occupations in mines and factories at such tender years that, if they reach manhood, they grow up stunted, ill-formed, debile; age, and die prematurely; and sink into an infinitely worse, as agonising as the beasts that perish. Here Governments not only may, but should interfere. It is one of the functions of Government to protect its citizens from violence and wrong; and, instead of unduly tampering with the law of Demand and Supply, or of usurping private rights, laws for the regulation of the employment of children, by protecting them from over-work, and by securing them time both for recreation and education, tend, although such laws be compulsory, to maintain a constant healthy supply for the Labour-market, through preventing degeneration of race; and, through defending the rights of those who are unable to protect themselves, to force the over-reaching and covid to keep within the bounds of their duty. Thus the various Factory Acts and others of kindred nature passed by Parliament—whether to save children from physical suffering and mental debasement, or to lessen as far as possible the unhealthy conditions under which many trades are carried on, are a protection to the adult as well as the juvenile, and benefit capital equally with labour. Laws, in short, for such purposes, are no less within the sphere of

Governments, no less tending to its satisfaction, than the issuing and enforcing of sanitary regulations to anticipate and ward off cholera and other contagious diseases. Individual rights are merged in the general good.

CHAPTER XVIII.

POPULATION.

1. There is room for all upon earth. God has created it fertile enough to supply the wants of all. If a country is over-populated and unable to furnish employment for its inhabitants, there are boundless regions ready to absorb the surplus. America, Australia, and New Zealand alone, not to reckon the almost innumerable islands of the Pacific, will afford homes, abundant means of living and of happiness to the redundant Population of Europe for ages to come. Yet it is questionable whether, were the laws of Political Economy strictly observed by the Governments, there would be a surplus Population, take Europe altogether, for many, many centuries.

2. The great object of Political Economy is to have wealth so employed and distributed, through observance of those natural laws which it is the province of the science to trace, develop, and establish, as that ample means of subsistence and of rational enjoyment be secured to all. The true aim of Governments and of peoples should be to raise those means to a level with the Population, to increase them as it increases, and to prevent its growth from being checked by insufficiency of productive labour.

3. Employment depends upon capital. If the capital, sufficient to give remunerative employment to a Population of ten millions, remain stationary, whilst the Population goes on increasing, it is clear that destitution and misery must ensue: and that, moreover, they must prevail in exact proportion to the excess of the Population over that fund to which it looks for employment—that is, over capital. A nation's efforts, therefore, should be steadily directed to the promoting of the growth of this fund; which is the result and product of the national labour. And the success of those efforts will depend upon the shrewdness, or rascality of all means which tend either to raise the formation of capital, or to drive it, when formed, to countries more favourable for its investment.

4. When Philip II. of Spain persecuted his Protestant subjects in the Netherlands, which had long been the principal manufactory of the woollen manufacture—capitalists and workmen escaped thence to crowd into England; and, transporting their wealth, skill, and industry, transferred to our country the supremacy in that branch of trade. The

revocation of the Edict of Nantes by Louis XIV., drove here the Huguenots, who brought with them the silk manufacture. In this manner the penal laws enacted against William of Orange, not only lost England the services of thousands of brave and intelligent citizens, who recruited the armies of foreign states, but laid these seeds of distress, want, and disorder where, even were their oil but complete absorption, have, down to the present time, drained capital from flowing into Ireland and seeking investment there; and which are causing, besides, so exhaustive an emigration as to threaten its industry, manufacturing and agricultural, with a deficiency of hands. So, too, the Protective Duties abolished, or all but abolished, a few years since, have cost Great Britain, within the present century only, by restricting the expansion of her trade, commerce, and manufactures, and by paralyzing her agriculture, a loss of capital equivalent, at the lowest calculation, to the sum total of the national debt.

A writer of deserved reputation, Malthus, started and changed the European world at the close of the eighteenth century, by promulgating the theory that Population tended to increase up to the level of the means of subsistence; and, furthermore, that Population, if unchecked, would go on increasing far faster than the means of supporting life possibly could. This theory, as old as time of that an Adamite's day, but first brought prominently forward by himself, Malthus supported by close, exact argument, and by an imposing array of facts. The same facts and the same phenomena, however, have exhibited themselves in every age, and in most countries. Nevertheless, although the Population of Great Britain has doubled since the date of Malthus' celebrated publication, yet the means of living have, at the least, kept pace with it. The wise and philanthropic aim of the writer was to encourage habits of prudent restraint, frugality, and foresight; and whatever be the truth or the falsity of the theory he supports, these, undoubtedly, are habits of incalculable importance to mankind. To act upon them cannot but help to bring Population and subsistence into harmony. They tend both to economize and to diffuse wealth, and to increase the sum of human happiness. The theory itself can do no harm; whilst the chance its incitation cannot fail to be productive of good.

And perhaps the more exact proposition would be, that Population increases in the ratio of its productivity—that production and Population tend to balance each other. As Population increases, the area upon which it draws its sustenance is proportionally extended. This progressive extension may be traced, step by step, as civilization is gradually established, from the time when men combining into families and tribes led a nomadic life, up to the foundation of populous cities and powerful kingdoms. At first, trade and commerce were unknown. As man grew, and civilized, barter led the way to industry. With the growth of peoples and nations, the interchange of produce is simplified; and, the area of exchanges still widening, at last every part of the world is becoming tributary, the one to the other. Men need not fear the bounty of their Creator failing them, so long as they work in harmony with His

here. It is not blind chance but a beneficent Providence which has willed there to be different climates, diversity of products, and diversity of national character, genius, and pursuits. The great law of Exchange, based upon these diversities, may be accepted as a proof that their Maker is so contriving men as to render them interdependent, pointed out the means by which they might become reciprocally useful and agreeable, and through which, moreover, the command "to increase and multiply" can never exhaust the gifts stored up in this wondrous world which He pronounced "good." With Gospel peace and brotherhood, Population and plenty would be commensurate.

CHAPTER XIX

PROTECTION—CONSUMPTION AND PRODUCTION—COMPETITION.

1. It was long believed, and the belief still lingers here and is widely prevalent abroad, that industry can be created and developed by tariff laws; that is, by bounties on exportations of home products and similar favours, and by the imposition of duties on the same products or manufactures when imported from abroad. This is the Protective system; instituted for the supposed encouragement of native industry, and the supposed consequent increase of the national wealth. No country, it was argued, ought to be dependent upon another, particularly for the necessaries of life; otherwise, in the event of war, it would be at the mercy of the enemy. Yet, at the very time this doctrine was almost universally received, the armies of the first Napoleon, despite his celebrated Milan decrees excluding us from all commerce with the Continent, were clothed from our looms; and, notwithstanding protective duties so high as to be prohibitory, or, rather, in consequence of them, the smuggle invaded England with French silks, laces, gloves, and handys.

2. Protection, in fact, using the word in its financial or politico-economic sense, is no other than setting up the laws of man in opposition to those of Nature. Whenever an article is wanted and can be paid for, there the article will force its way in, let the obstacles be what they may. Protection is a positive loss to all parties. In enhancing prices, therefore, hinders Consumption, and so checks Production. Supposing that a Government is ignorant enough to prohibit exportation to an enemy's country of the produce, on the disposal of which the wealth and prosperity of its own territory mainly depend, commerce would not be killed: it might be crippled but would not be killed. Wherever there is Demand, Supply will not be wanting. Interest is the Archimedean lever which moves the trading world. But no Government, now-a-days, could do what be so famous. In the late Crimean war, Russia gave us her corn, hides,

and follow: we give her our manufactures. The articles had to take a circuitous route through Germany, or to be conveyed in neutral bottoms, and, therefore, prices rose. Consumption was limited, and Production checked: nevertheless, unchanged they continued to be.

3. The lesson to be learnt from the Protection system and its utter failure to attain the ends for the sake of which it was devised, is to welcome and increase the mutual dependence of nations upon each other, instead of striving to make them unnaturally independent. Were each left, unaided by man's Will-of-the-Wisp improvements upon Nature's laws, free to pursue its own best interests, each would discover that these can be promoted only by producing those articles which it can bring into the market cheaper than the rest. Exchange of these between them, whilst diffusing general wealth, would secure general peace. To protect an industry, that is, to force it into being like a plant of hot-house growth, is simply expending energy, skill, and capital to produce at a heavy loss an article which can be had abroad with profit to yourself no less than with profit to the country from which you buy. For when a country buys or exports, she sells or exports to the like amount either to the people she buys from or to some other. If she pays in money, still she has got that money by sales elsewhere. Moreover, Protecting or forcing an industry is diverting the energy, skill, and capital away from it from some branch of trade for which the country is adapted, and which would consequently bring in the largest returns. Protection, in fact, has been almost equivalent to saying—We will grow tea at Spiddergery, and manufacture iron at Stone Ledge.

4. The production of a country increases in proportion to the intelligence of its Government and of its people. For intelligent Production creates wealth, therefore, unwise labour, adapts itself to the natural capabilities of the country; and keeps steadily in view quick Consumption—that is, the relation between Demand and Supply—as well as the accumulation of capital to furnish the means of extending remunerative labour still farther.

5. How immense the reproductive capital (in other words, the means of creating and remunerating labour) which the world would by this time have inherited, had the wealth dissipated in waste from the Crusades downwards been employed in the construction of roads, canals, bridges, harbours, and other undertakings of permanent utility! One of the worst and clearest of all economic laws is the axiom that all unwise Production defeats Consumption—since an unnecessary Supply disappoints some necessary Demand—and that all useful Production not only responds to necessary or rational Demand, but stimulates Consumption. Whenever productive power is absorbed by unwise labour, there suffering and world-wide are the results. All unwise labour tends to create poverty; because the labourer is a consumer as well as producer, and if the product of his labour be not reproductive, his Consumption must necessarily be taken out of the product of the labour of others. Labour and power have been thrown away, and the worker, thus unproductively employed, has for the time being been living upon the general labour

food instead of upon his own earnings. Hence, the irreversible loss occasioned by war.

4. In like manner, as individual Production is ever in an exact ratio to the intelligence, capacity for work, capital, and credit of the producing party, so is national Production to the intelligence, wealth, and effective working population of a country. Privileges, monopolies, restrictions, or prohibitions, by interfering with the equilibrium of Production and Consumption, prevent them from finding their natural level. No laws of man's devising can so adjust and support the exact measure of productive encouragement to be afforded to any branch, or branches of industry, but that some one or more will be unduly developed to the detriment of the rest. Whereas, with complete and entire Liberty, all the productive powers, aptitudes, wealth, credit, and intelligence of a nation will combine, each in its due time and its fitting place, to create and multiply all things whatsoever that its Consumption requires.

5. Men produce, to order to sell. Increase Consumption, you encourage Production. By leaving industry to the natural operation of the law of Demand and Supply, the irresistible facilities of the producer are questioned, and Competition steps in to reduce prices, and so to stimulate Consumption. Reduction in price, whether brought about by improved process of manufacture, by a cheaper supply of the raw material, or by lowering of duties, is sure to be followed by increased Consumption. This increase, in its turn, reacts upon Production, exciting it to renewed efforts in the path of economy and cheapness with each proved efficacy, that reduction in price of a necessary article to half of its previous cost will cause, perhaps, a tenfold Consumption of that article.

6. It is Competition which reconciles the two opposing interests of the producer and the consumer. When we sell we desire high prices; when we buy, low. Competition holds the scales, regulates the price, and adjusts the balance between seller and buyer. Competition, or freedom to buy and sell is the best advantage, is the principle of Liberty; Protection, that of Prudence. Competition breeds cheapness; Protection, dearthness. To have everything at a cheap rate, many commodities for little money, is short, abundance—is the Political Economy of the consumer; high, sometimes even famine, prices that of the producer. But we are all of us consumers; and the interest of the consumer is in harmony with the general interest; whilst that of the producer is in harmony with it only when his interest rests upon such an enlargement of national wealth as develops the power of increased Consumption at the current price, or upon such improvements in Production as admit of reduction in price with equal profit.

7. Competition, in short, is the leveller of all invidious inequalities. Through its beneficent operation, all discoveries quickly become the general property. It not only lowers the price of goods and services, but affords to them their true value. Competition, which works by division of labour and by the introduction of machinery, to lighten, abridge, and simplify industrial processes, and to enlarge the domain of knowledge, has broken down those exclusive barriers which, hitherto, confined trades

and professions is a privileged few. Every natural advantage of situation, fertility, temperature, mineral riches, and national aptitude for particular branches of trade or special pursuits peculiar to any one country or people, are shared, through the influence of Competition, with all other peoples and countries. Rich is thus interested in the progress of the rest. Every advance in the new world is wealth in prospect for the old. The richer a country becomes, the better customer she is to others. The sharper the Competition between all countries, the quicker and greater the general improvement; the sooner each will discover which industrial occupations to pursue, which to abandon. Multitudes at large will be the poorer; will obtain equal satisfactions with less, or more satisfactions with the same efforts. Competition renders things cheaper; and cheap being is not simply cheap as a low price: it is the ability to procure and enjoy more commodities and more comforts. Could each of us arrange the concerns of this world as we would have them, which is the basis of the Protective System, we should, as its history has demonstrated, restrict our efforts and studies to the reaping the largest amount of individual advantage with the least expenditure of trouble. Providence is more impartial; and by making Competition one of the laws of the social world, has secured an equitable distribution of its gifts to all.

CHAPTER XX.

POVERTY—WEALTH

1. Poverty and Wealth are comparative terms. A man may be poor compared with thousands of others, yet rich when his means are contrasted with those of millions still poorer than he. What would men estimate Poverty to a man brought up in the lap of luxury, would be considered superabundant Wealth by another, cradled in misery. Happiness is independent of either. A slave concubine, with a contented and cheerful disposition, will make a Lazzarini happy, while a Diogenes may be one of the most wretched of mortals.

2. The one grand aim of Political Economy, or the Doctrine of Exchange, is to prove that there are certain natural laws, which, when uninterfered with by the ignorance of man, conduct us as surely to order, regularity, and fulness of luxury in the social world, as do the physical laws willed by the Maker in the material. "Our confidence in the uniformity of Nature's law is complete—obeying the law of God, His omnipotence is on its side: to oppose a law of Nature, therefore, is to oppose the Deity; it is sure to reflect itself." In consequence of man's presumptuous opposition to natural laws, misery, to a deplorable extent, arises in all nations.

3. The contrasts exhibited, side by side, in the most highly civilized countries, of overflowing Wealth and grinding Poverty are so glaring and so repulsive, that many thinkers and writers of warm feelings and of enthusiastic temperament have been led to question the advantages of civilization. Some have gone so far as to proclaim that the savage is the natural and superior state of man; whilst others have devised various schemes for the correction of the ill that we yet stand society, which, with the best intentions on the part of their framers, would result in substituting universal misery for partial evil.

4. The advocates of the superiority of savage life, who are, however, far the fewest of those sensitive visionaries, contend that man sacrifices his freedom when he relinquishes the barbarism for a more artificial state of society; whereas, the exact contrary is the fact. In the savage state, brute force reigns supreme. Might gives right. The will of the strongest is the sole law. What writers of this stamp call the bondage of society is, in truth, the only security man has for the enjoyment of freedom. This bondage is respect for the rights of others; a respect which secures to each member of the community full and untruncated possession of his own rights—(*RECAPITULATION*, v. II, s. 1.) As respects the happiness of a life which is but little above that of the hares of the field, a dreamt imagination may revel in ideas of the felicity of roaming untrammelled in unexplored forests, boundless deserts, and grassy prairie—longings as useless as they are fanciful. But a very brief experience of the stern reality would suffice to correct this morbid distemperance of brain. The Corsicans and Pathlans, fastened in Chinawater, creeped in coast villages, with pipe and crank in hand, do not differ more from real shepherds and shepherdesses than the painted blasees of savage life from the squealed, glibbled, horrible humanity.

5. The various schemes for reorganizing the world, propounded by the other class of visionaries referred to above, have, with differences in their details only, but one basis—the equal division of all Property. In their confusion, some of the chief writers of this school have not hesitated to proclaim that "Property is Robbery." So widely spread was this monstrous doctrine, a few years since, in France, that Bastiat, and other eminent Political Economists, found it necessary (and the necessity in a degree, still continues) to combat it in numerous publications, with well-distributed arguments and appeals to common sense and morality, which large knowledge, sound logic, and trenchant wit could suggest. The votaries of this absurd and subterranean doctrine are named Communists; that is, those who seek to have all things in common.

6. Let us see how the world, attended by these philosophers who are for taking away every man's goods to share them with his neighbours, would be likely to get on were they grand remedy for its ills corrected. A rich man's property is divided, we will say, among a hundred families. Reckoning five persons to a family, which, taking the population at large, is about the average, there would be five hundred persons, or, including the rich man himself and his family, (parties who are ordinarily left out

of the reckoning by the individuals who would not scruple at parceling out his possessions,) five hundred and five persons, to be provided for out of the estate. Now, whether the property so seized and divided consisted of the right to land (a *rent*, *sec. 2, 3, 4*), to houses, or to manufactures, it would, by the very fact of its seizure and division, be considered valueless. The personal right to it having been declared null and void, no one would purchase it; no one advance money for its cultivation, if land; or to carry on the business, if it were trade or manufactures, since he could not be secure of obtaining an interest in it from one moment to another. And if the property to be seized and divided lay in the funds, or in a bank, it would vanish like so much smoke before seizure could be effected, since national bankruptcy would immediately follow violation of the most sacred personal right to it.

7. Suppose, then, the entire land of a country were divided amongst its inhabitants. Equal division would be impossible, owing to the great differences in value of the soil. Even could a fair division be made, yet, as all must bend themselves to farming, and all could not farm equally well, some would raise much better crops than others. This would be to re-establish that inequality, to obviolate which the land was divided equally amongst all. The answer to this objection is—divide the whole harvest equally: in other words, feed the idle and unskilled at the expense of the hard-working and intelligent. How long would such a state of things last?

8. Assuming that it were possible (which we have seen, it is not) to award the personal right to property without violating the best law of that property,—would the hundred families spoken of above be better off after its division than before? Say that each family has been earning two shillings a-day, while the rich man has been living upon his hundred shillings a-day—each family would lose seven shillings a-week. Thus, as there would no longer be any rich to give them employment, they would be worse off by half than before the division of property had taken place. For the number of rich compared with the number of the poor is exceedingly small; and the sole result of such division as could be effected would be to render Poverty still poorer. All being reduced to the same level, each would have to work for himself. Employment would cease, since there would be no capital to furnish employ; and credit, the life-blood of national industry, being annihilated, a wholesale and uniform wretchedness would reduce all to a state akin to barbarism.

9. The truth of the matter is, that the misery which still records and defines civilization is the result of ignorance, and of the imperfection of such distribution as we have yet attained to. Ignorance of the true doctrines of Political Economy had induced legislators, from the dark ages down to the present time, to interfere with the natural laws which it is the province of the Political Economist to trace, explain, and enforce. Hence arose the Protective system, (&c. *cin.*) It was believed, and the belief continues to be acted upon in the greater part of the civilized world, although happily repudiated by England, Belgium, and

the more enlightened portions of France and Germany—that no country can prosper except in proportion as it grows and manufactures for itself all articles of prime necessity. Heavy duties are laid on such articles from other countries, to protect their home-growth and manufacture; and the consequence is that the protected country has to pay the difference between the high cost of the home and the low price of the foreign product, the duties never falling short of, and often exceeding that difference. Nor does the injury stop here. In consequence of this artificial increase of price the protected country can consume, or purchase, far less of those articles. The consumers, that is the entire population, are fixed as it were for the profit of a few manufacturers; and the money thus paid extra, is a dead loss to the nation at large.

16. It has at last been learnt by the more advanced part of the civilized world that, in like manner as the Beneficent and All-wise Creator has graciously willed that different regions and climates should bless mankind with an endless variety of products, which it is to the comfort and advantage of their respective populations to exchange, one with the other—as it appears to have been ordered that some countries should be better suited for particular manufactures and branches of trade than the rest. Hence it is the natural, and, therefore, the most profitable policy for each country to restrict itself to producing what it can grow, or manufacture cheaper than others, and in exchanging them for whatever it may want which can be mined, or made, more cheaply elsewhere. The money which would otherwise have been lost through protective duties then flows into natural channels; finds work; and adds to the general labour fund.

17. The sad result, however, of long and gloomy blindness to these and the like truths of nature's own showing—a blindness which still debars the greater part of mankind from the blessings their merciful Maker has placed within their reach—is the wretchedness which still pervades, side by side with the pomp of Wealth. Capital has been wasted; employment restricted; poverty perpetuated.

18. Capital has been wasted through the loss of the immense sums lavished by protective duties; every million of which would, otherwise, have fed the national wealth; have served either to purchase more, or to produce more. Employment has been restricted, since whether the money had been used to buy from the foreigner, or to produce at home, myriads of new workmen would have reaped the benefit. Poverty has been perpetuated through the raising of prices by forcing into sickly existence manufactures unsuited to home production, and by thus diverting the funds or misapplied from the numerous natural channels into which they would have been certain to find their way.

19. The increase of Wealth, extension of trade and commerce, and stimulus given to employment by England's renunciation of the Protective system, and consequent progress towards a fuller recognition of natural laws, are evidenced by the following facts. In the period of twenty years, namely from 1845 to 1865, numerous duties levied through Customs and Excise were either abolished, or reduced, to the

amount of \$14,857,447; yet the produce of these sources of revenue, which, in 1841, was \$25,577,696, reached in 1882, notwithstanding the stagnation of the great Cotton Industry, to a total of \$40,213,175, or to nearly six millions beyond the produce of the enormous duties levied in 1841. Moreover, the annual value of property and profits assessed to the income tax has increased, within the same period of twenty years, by the amount of \$24,631,606; the total declared value of imports into the United Kingdom, by \$194,898,799; and that of exports by \$26,779,682—being an excess, in the comparatively brief space of time, amounting to upwards of two hundred and ninety-four millions sterling; an amount which represents a great rise in the value of land and of all real property; an amazing development of the trade of the country, foreign and domestic; and an accompanying extension of remunerative employment.

14. Since, as is above demonstrated, every reduction of duties gives fresh vigour to trade and commerce, additional value to property, and opens up new spheres of employment, it becomes a serious question whether it be not a wiser policy to raise the national revenue by means of Customs and Excise at all. Although the duties levied in this country are no longer protective, or protective to but a comparatively trifling extent, nevertheless they act as so many obstacles to that freedom of intercourse and of exchange which would supply work for all, and would constitute the surest pledge of power by making it the universal interest to maintain peace. It seems absurd to have introduced steam, rail, and electric telegraph to facilitate interchange and intercommunication, and yet to continue duties which act as impediments to interchange and to intercommunication. If so much good has been effected by reduction of Customs and Excise duties, what may not be expected from their abolition?

15. The cure for Poverty, however, is to be looked for, not from one remedy, since it has many causes, but from a combination of remedies. Education, the substitution of machinery for manual labour, and the carrying out of freedom of trade to its utmost extent, are among the most potent alleviations of their numerous woes, which can be applied to the working-classes by those blessed with the means, and with the power of thus aiding their toiling, suffering, weak-enduring brethren. The remedies which they can themselves apply, and which are daily lessening the amount of human misery, are Temperance, Frugality, a desire for Mental and Moral improvement, associating themselves into Co-operative Societies, and availing themselves of the benefits offered them by the Post Office Savings' Banks, and by the well-derided system of Government Assurance for the humble classes.

16. Charity, in the shape of alms-giving, can do little to relieve the victims of human woe (c. xv., sect. 8, 12). Pauperism, a necessity under present circumstances, creates a larger amount of distress than they remove. They lower the moral standard of the workers by increasing dependence upon others, in place of a free trade in those habits of diligence and of persevering effort, which, when coupled with peace confidence in the

saving arm of the Most High, are the surest road to blessings here as well as hereafter. The truest and wisest charity is that which sustains the struggle, and promotes the development of industry and of "honest labour." This is the charity which "is twice blessed," which "blesseth him who gives and him who takes." In individual cases, *charity-giving* is an imperative and sacred Christian duty—amounting to the donor and unfolding to the receiver. Whosoever misery strikes, those the good Samaritan will ever wish and seek to be—succouring, blessing, and being blessed. But the only means of *general, permanent succour*, the only means of *mitigating Poverty* so far as is humanly possible, and of effecting a more equal distribution of Wealth, is to be found solely in the remedies indicated in the preceding sermon, and in a steady adherence on the part of Governments to each and all of the natural and harmonious laws of true Political Economy.

RECAPITULATION.

CHAPTER I.

ISOLATED MAN.

1. Let us imagine a man, born and brought up in a civilized country, to be suddenly transported to an uninhabited island, and left there without food, clothing, or tools of any kind. So situated, he will be a type of the human being reduced to all but the lowest stage of human existence. The knowledge which he may have acquired will be next to useless. Should the island perhaps yield fruits and vegetables, he favoured in climate, and free from noxious insects and reptiles, nevertheless, he will find himself in a state of extreme misery. The first and only condition on which he can support life will be Labour. He must use his hands to supply his Wants: "to gather the kindly dews of the earth in their due season," to draw water from the stream or spring, and to provide rainment and shelter.

2. The difficulties of this struggle for mere existence arise, chiefly, from one cause. He has by him no Accumulation of Previous Labour, no replacement of any sort. With him, the Power of Labour exists in its least productive form. His life will long be one of hard, daily work; and his only tools, his hands.

3. I call upon my readers to "imagine" a man similarly placed, because the lowest tribe of savages ever met with has not been without signs of civilization, however rudimentary. They have possessed weapons and implements, rude and imperfect, no doubt, but still evidencing thought and design, and which have been produced either by their own handiwork, or by the Previous Labour of others.

4. Among the few individuals who have been discovered in what is questionably called "a state of nature," the most noted on record are Faur the Savage, the Savage of Aveyron, Casper Hoven, and March Stephen; but these, whether purposely exposed or accidentally lost in the woods where they were ultimately found, had become unrecognizable, even in shape, from the beasts of the field.

5. Of the several uneducated instances of men placed in a position resembling to that which I have called upon the reader to "imagine," the two most interesting and instructive are those of a Mosquito Indian and of Alexander Selkirk; each of whom lived for several years alone

in the island of Juan Fernandez. An account of the former is given in Dampier's *Voyage*; the adventures of the latter are well known, as having suggested to Defoe his *Robinson Crusoe*.

2. Dampier touched at Juan Fernandez in 1681, and found the Indians there. He had served as a sailor on board of a Spanish ship, which had put to sea, on fighting an enemy's vessel, before he, who had landed with others, and had strayed further from the shore than his companions, could re-embark. At the time of Dampier's arrival, he had been three years on the island. When abandoned there he had had a gun, powder, shot, and a knife, and that was not without Accumulation of Previous Labour. As soon as the powder and shot were spent, he fashioned his knife into a saw, and, lighting a fire with the help of his gun flint, he managed to forge and manufacture, out of the barrel of the gun, fish-hooks, harpoons, a long knife, and other useful articles. Fish, and the wild-goose on the island, supplied him with abundance of food, whilst the skins of the latter served for clothing. Having deserted Dampier's vessel the evening before it came to anchor, he killed three goats, and cooking them along with a variety of wild vegetables, was enabled to offer him and his crew, long starved, as they had been, so suited provisions, a most acceptable meal.

3. Now, what would or could the Indian have done without either the knowledge which he had acquired from civilized men, or the materials with which he had been furnished through the same channel? True, he would not have been destitute of resources; having his native habits and opportunities to fall back upon. Still, on the supposition even, the contrivances which he might have brought into play would have been the mark of his training among his fellow-men; would have been the fruits of social intercourse.

4. The means which he had at his command—his knife, gun, &c., were the Accumulation of Previous Labour, or, in one word, were his Capital. Observe, he creates nothing. The direction which this Accumulation of Previous Labour enables him to give to his own labour imparts to it Service, Utility, Value—but calls nothing into being. He runs down or traps goats, and manufactures them into food and raiment. All that he does is to change the place and form of the material on which he works, and Change of Place and of Form is the beginning and the end of all human labour. Man can make, using "make" in the sense of "create"—nothing. Our *Mongolian* Indian, to supply his Wants, has applied the self-same principle which directs and constitutes every manufacture and every branch of commerce.

5. The primary condition of existence is Labour. The second condition requisite to render Labour truly Serviceable, that is, to enable one to impart Value to it, is Accumulation of Labour or of Capital. Suppose that our Indian, instead of departing with Dampier, had come to the conclusion that he might derive a profitable trade by preparing supplies of fresh provisions for the crews of ships touching at the island, he would have noticed at the third condition—which gives to *fall measure* *of value* to Labour—namely, Exchange. And if, instead of rendering sole

possessor of the island, he had invited and secured settlers there, so far advanced in civilization and its attendant knowledge as himself, with their co-operation he would have obtained, whilst benefiting them, a thousand-fold the advantages which his own unassisted labour could have procured. He would have enjoyed the advantages of Society—a state which presents an uninterrupted succession of advantages to all its members without coercion.

10. Archbishop Whately significantly and pregnantly declares, "Man is an animal that makes Exchange." There are others, as, for instance, the sun, the bee, and the beaver which enjoy some of the benefits of Association or Society, but not one that exchanges Labour for Labour, or the product of his own Labour for that of another. Nevertheless, to reap the full advantage of the economic benefits of Exchange, there is an essential preliminary to be provided for, and to be laid as on a rock, namely, Society of Individual Property.

11. This recognized, and established on an inviolable basis—Society and the Individual begin to enter upon the reward of their mutual Labour.

12. Writers of the Rousseau stamp, such as our modern Socialists and Communists, lay it down as an axiom that men combine together and form themselves into communities and nations on the express understanding that, in submitting to what these dreamers term the yoke of laws and government, they alienate a part of their liberty. Now, this so-called "Social Contract" never could have taken place between men for the plain, simple, everlasting reason that man, by his very nature, independently of all contract or control, is a social being—pre-eminently so; since, man by accident, he is never found in an isolated state, but always in association with his fellow-men. Moreover, his liberty, instead of being alienated, is secured by submission to law and government. All his rights spring from and are adjusted, balanced, and maintained by their relation to the rights of others. It is only when man has learnt to respect the rights of his fellow-men, that he becomes unqualified possessor of his own.

13. However, there is yet another preliminary condition, indispensable to be arrived at, before Exchange can play its due part in the economy of social existence. This is, Appropriation of the soil; in other words, the creation of Rented property, and of Rented House.

14. An excellent illustration of the wickedness entailed upon a community by the absence of this indispensable agent of social progress, is furnished by an authentic and most interesting work, published at New York in 1830—being an account of the captivity and adventures of John Teaser, the son of a shipowner in the United States, who had been carried off by a party of North American Indians while a child, and had been detained amongst them for thirty years. The tribe of which he was made a member professed with the fur and other traders, and had advanced so far in civilization, as distinctly to recognize the Rights of Property. They would leave their sons, wives, and beaver traps unwatched, in full confidence that none would appropriate what

belonged to another. But as the land belonged to all in common, its cultivation depended upon caprice and chance; and since they trusted for food mainly to the precarious products of the chase, times of fearful famine would alternate with brief seasons of glut, and scenes of misery and starvation came, the only remedy for which was unknown to them, namely, that powerful interest in the soil which leads to its careful, constant, assiduous cultivation.

15. From the foregoing premises, we arrive at the conclusion that Individual Ownership and Security of Property are the foundations of all Social Progress. It is, indeed, impossible to form an idea of the Productive Power of Labour apart from that social principle which acknowledges the Inalienability of every man's Possessions.

16. Let us now take another case, the reverse of that of our Mosquito Indian, and of Orono. We are introduced for it to one of Foster's admirable "Essays" in which he relates the history of a prodigal who, having squandered his patrimony, had fallen into the extremity of want and contemplated suicide. One day, seated on a hill, from which he saw far-stretched before him the rich fields that were once his own, he had remained for hours absorbed in the gloomiest reflections when a sudden light seemed to flash upon him, and to renew his whole being. "They shall once more be my own!" was the impulse, but deeply-etched and fixed resolve which came, like an inspiration from heaven, to make him a new man. The tale shall be resumed further on. The case is not an imaginary one. It is a fact.

17. First, however, let us consider what were the means, the only means upon which he could base any rational hope of carrying out his resolve. To recover his property by force was out of the question. Neither could he expect aid from law; since, even supposing that he had been defrauded of his property, he had no money wherewith to carry on a lawsuit. The sole means by which he could possibly succeed was through the agency of Exchange; by virtue of which his property had passed from his possession into that of others. But what had he to Exchange? His Labour. This was the Capital on which alone he could depend to reconstitute himself in his former position.

18. Mark the difference, now, between his situation and that of the Indian, or of Soliké, on the uninhabited island. The poet makes the latter exclaim—

"I am master of all I survey,

"My right there is clear as day;

"From the centre all round to the sea,

"I am lord of the land and the trees!"

But our repentant prodigal is lord of his own thorns and thistles only. He is surrounded by an abundance of all things; yet there is not one which he can appropriate without payment; that is, without offering an equivalent in Exchange. Nevertheless, with but these means with which nature has furnished him in common with his fellow-men, he has far more facilities for supporting life, nay, for securing his comfort, than if isolated—no matter how fruitful the spot. As has been already

status, the general condition of the millions who constitute the great mass of the Exchangers of the civilized world, is incalculably superior to the precarious existence of those semi-civilized races who have yet to learn the benefits arising from Appropriation of the Soil. And, although in a country where the Appropriation has taken place there is no other available mode of acquisition than purchase, that is, Exchange, still the wealth which Civilization has amassed is so enormous, the facilities for exchanging Labour (the poor man's Capital), for Money (the rich man's), are so many and so various, that the mere Labourer can supply his every want with more ease and greater certainty than the isolated owner of the most fertile regions upon earth.

18. The foundation upon which this ease and certainty rest—the principle which calls them forth and gives them effect, is the Inexhaustible Productiveness of a Highly Civilized country. Production abounds in such a country because Labour is Profitable. Labour is Profitable because there exists in such a country an immense Accumulation of Previous Labour with Unlimited Facilities for Exchange—and Exchange is Unlimited because the Rights of Property are Recognized, and there is no one thing in it which has not been Appropriated.

CHAPTER II.

SOCIAL MAN.

1. For proof of the soundness of the principle just enunciated, we have only to resume the narrative broken off in the preceding chapter. The first object, we are told, which attracted the ruined man's notice after he had formed the resolutely insane resolution above mentioned, was a load of rails lying before a house he had to pass. He offered his services to place the rails in the cellar, and got the job. Mind, he was unused to work, knew no handicraft, and his irregular course of life had tended both to impair such faculties as he might have been originally gifted with, and to habit him for continuous exertion. He was an untried labourer, and of the lowest rank as such. But he was impelled by an overwhelming desire to regain the station he had forfeited in the world, and was borne up by an unconquerable determination to overcome all difficulties. Like the first Napoleon, he would not admit the word "impossible" into his vocabulary.

2. When his task was completed,* his Labour had added a new Value to the rails. They were safely stored, sheltered from rain, and conveniently placed for use. For this Service, he must, in the earlier stages

* From this point, following the former paragraph, what previously is, doing may be said, and the accomplished object, and brought back the reader to what he may be said to have anticipated himself.

of society, have been content to receive some remuneration in payment, discharging some of the costs. Then, in order to satisfy his more pressing necessities, he must have wondered about to find an opportunity for bartering his costs for food, or for whatever he most needed. And, whilst our new-made labourer was occupied with the Unproductive Labour of looking for a party who would take the costs off his hands, he might have perished from sheer want.

2. What was it then which enabled him, firstly, to meet with Productive Labour, and, secondly, to procure with it an article which could be readily exchanged for whatever he might at the moment have required? The answer to the first question is—*Capital*; to the second, the invention of *Money*: this last being a sign that a Service has been rendered, and a means of commanding another Service in return. Money is simply a token that Service has been done, and a necessity for Service to be done. It is a substitute for Barter which enables its possession, wherever money is known, to effect Exchanges to any extent without the inconvenience of carrying about his goods to truck for other goods.

3. The cost itself which our labourer removed had been a Capital, and represented a vast amount of previous labour and of outlay. What between the cost of the machinery and the wages of the men employed in the pit whence it was extracted, the cost represented a mass of toil and of expenditure that had probably been going on for centuries. Our prodigal's Labour was another Capital, which brought him in Interest; that is, the Wage for which he had bargained. This Wage, again, in its turn was Capital—a Circulating Capital—which secured him the means of satisfying his most urgent wants with a regular, easy, and certain, inconspicuously superior to any resources he would have had, had he been cast alone amidst the unappropriated productions of Nature with Unlimited Liberty and Absolute Rights.

4. In the civilized country in which it was his happy lot to live, his Rights were limited by his Duties. He could secure his own, only by respecting the Rights of others. This very limitation of Rights by Duties was both the safeguard of his Liberty, and the means of his being able to satisfy his wants at once. Without Security for Property, the cost would have remained in the waste heap. Without Security for Labour, he would not have dreamed of offering a service which, when performed, the party served had it in his power to refuse payment for. It is the mutual Liberty and Security of Capital and of Labour which give rise to Production. Combined, each plays its part in the social economy by virtue of the law that governs Production, a law which rests upon Freedom of Exchange, and which works through the great natural principle of Demand and Supply.

5. When Capital and Labour work together in harmony with this paramount natural law they are in a healthy state, and Produce with the utmost possible amount of Profit to both. Hence it is clear that Accumulation of Capital is essential to the meeting of Profitable Labour; and that the greater the Accumulation, the more Abundant is Profitable Labour.

1. Yet this elementary truth has been overlooked, not alone by many thoughtful writers, but by whole nations; and it is even now obscured in those countries that claim to be the most civilized, by prejudices which date from the Middle Ages. The great Captivities of those ages (as, indeed, they are of the present) the Jews—whose sources, as their wise thefts was termed, furnish the granaries of Europe, since it flourished that Accumulation of Wealth which has called into activity the energies of later enterprise—were incessantly and mercilessly persecuted by Kings, legislators, and peoples. Did the Moslems, the chieft, rather the rich men for the poor in those ages, providently lay up stores of corn against over-coming years of scarcity—the same fatal errors were committed which have degraded even the present century; the corn was destroyed, and its wise and beneficent purposes the objects of popular hate and the mark for ruthless violence. It is the same as regards Labour-saving Machines; the introduction of new inventions of the kind has been the signal, even in our own boasted days of advanced knowledge and civilization, for outbreaks of ignorant indignation and riot. For, too many of the working-classes, instead of looking upon such Machines as their best friends, which they really are, consider them their deadliest enemies. They do not see the obvious truth, that every tool, the commonest even, is a Machine for saving Labour; that the more Labour is saved, the more Work can be done; that the greater the Amount of Work done with the same or less Labour, the cheaper the commodity produced; that Demand for it increases in proportion to the Cheapsness of the Supply; that thus the Saving of Labour creates a larger Field for Work; and that the larger the Field for Work, the Higher the Rate of Wages. They see workmen temporarily thrown out of employ by new Machines, but overlook the fact that for every hundred so displaced, a thousand, in some cases tens of thousands, find employ through them. Were all existing Machinery destroyed, universal misery would be the consequence; and as population increases, doubling itself in different countries, according to circumstances, at periods seldom less than centuries or exceeding thirty years, it is only by the invention and multiplication of Labour-saving Machines that Work can be found for the millions adding, and to be added, to the Labourers thronging the Labour Market.

2. Similar ignorance of the principles of Political Economy and of the operation of natural laws to that just pointed out, leads to another very common, but most baneful fallacy—namely, that War causes trade to flourish. In the success, when a house is being burnt down, some bystander will observe, and the observation be greeted with approval—“Well! it makes good for trade!” On the contrary, destruction of property by fire, or in any other way, is always an irreparable loss to trade, whether it be a house or but a pane of glass that is destroyed. The money required to replace the thing destroyed would have been

* See Chapter IV. on the subject of this page. * What one man and what one thing are, are necessarily evaluated by the Millions under the title of Political Economy to the Jews.

spent in providing the owner with some other thing, or things, and would thus have given employment, whilst it supplied his own immediate Want. A poor man's windows are broken, and he has them mended with the money which he has been saving for shoes or for clothes. He has to forgo the Satisfaction of his Wants, in order to replace the broken windows. Although the glazier may gain, the shoemaker or the tailor is a loser—and so is he himself: he loses the Satisfaction of his Want of Shoes or of Clothes. So that, in reality, destruction of property involves, at the very least, two losses—against which there can be set-off only one gain; in other words, it is a total and irreversible loss.

8. It is true that War does give an impulse to various trades, creating a stir, ferment, and bustle, which, as they stimulate themselves on general action, are taken for evidence of prosperity. Moreover, powder and gun and ships of war cost immense sums; and this cost being a gain to the home manufacturers of the articles, the supposition is that the country at large—instead of being a loser in the amount of the cost, which it really is—is a gainer by the expenditure. The money, it is argued, is spent at home and furthers employment amongst ourselves. They who argue thus forget that the argument would hold equally good if the money had been expended in gunpowder for fire-works, or in paying soldiers for amusements with sham-fights, since the money, so laid out, would equally have gone to our own people. The fallacy consists in the omitting to take into account that although the Labour of the gunpowder-makers, soldiers, &c. is not Unproductive to them, as they are paid for it, yet their Labour is Unproductive to us, inasmuch as it leaves no valuable results. If gunpowder be employed in blasting rocks, in order to open up veins of ore, or sources of coal, or to make a road, the manufacturer is paid for it just the same as if it had been made into fire-works; but then the mine, or the road, remains—an article of value, a source of wealth. After paying for the powder the paper will be richer than before; whereas if he had used it for fire-works, he would have been the poorer by the amount of the sum it had cost; it would have produced no useful result.

9. The sole difference, and a vast difference it is, between the total loss caused by Fire and that occasioned by War is that Capital, without which Labour cannot be called into employ, is destroyed irrevocably destroyed by the domain of War in the proportion of millions to hundreds, in comparison with the as least irreversible loss inflicted by the scourge of Fire. "Of the amount of time and Capital wasted in War," said the late Sir Robert Peel, addressing the House of Commons in 1841, "we are all witnesses; and I can only say that if all the capital and all the skill wasted on these preparations were sunk in the sea, though that would be useless, it would not be so deeply injurious as to use them." "There is nothing," once observed the Duke of Wellington, "worse than a victory,—except a defeat."

10. Blinded ignorance is that prevailing on the subject of War-expenditure, still prevails on many other points of vital import to the body

politic. Long ago Montesquieu had the sagacity to affirm that "Land is not cultivated in virtue of its Fertility, but of the Liberty which it enjoys;" yet with us its free sale and transfer are even now hampered by laws which date from times of barbarism. A like ignorance is at the root of most misunderstandings between Worker and Employer. The class engendered by the mischievous monopolies of the dark ages, remnants of which linger amongst ourselves, and which still prevail, more or less, upon the Continent, influences both. The merchant has his trade-rules and apprentice-regulations, which amount, in fact, to Protection (and, therefore, to grievous injury) to himself; and which are his own self-made and ever present tyrants. These rules and various shufflings (c. v. sec. 18.—c. vi. sec. 5.) all spring from the mistaken notion that "what one man gains, another loses." Promises have been made from such sound sense, and genuine wisdom. Unfortunately, time has grown up with the wheat; and barbarism springs, sooner in men's mouths, than their ignorance no less than knowledge, folly no less than wisdom, from generation to generation.

12. We have seen that Exchange is the basis of that Accumulation of Capital which gives rise to Productive Labour. Property, although strictly speaking, a Personal Right, may, like Capital, be defined to be that which has Exchangeable Value. Among the Equipment a ton of gold would purchase nothing, whilst an old iron hoop or a dead horse would as sure constitute its possessor a working Proprietor. But Exchange loses the chief part of its virtue, if not perfectly Free, and in the end, Worker and Employer will have their eyes crushed, and discern this gross and smothering truth. Whilst Employer demands but one privilege for his trade, as Worker suffers himself by leaving him to regulate either the numbers or the wages of his fellow-workers—so long will Exchange be forever sham of his looks. Slavery is run wherever it has prevailed; and, unless a man can dispose of his Labour as he will, he is a slave.

13. The superficial student of history may cite the wealth of the Roman Empire, wherein slaves were almost the sole producers, as proof of the contrary. That wealth, however, was gained by conquest, or rather, in use the true word, by robbery. The citizens, served by slaves, became themselves the worst slaves that ever created, the beaten bonds, at the feet of tyrants; and these the most deprived, miserable, and worthless who have defamed humanity. As for the Empire, where is it? Echo answers, where?

14. Employers, it cannot be too often repeated, and Workers as well, whilst they cling to protection under any name, or in whatever disguise, are crippling and enfeebling themselves, and retarding the increase both of their own and of the national wealth. They are slaves, the slaves of ignorance; and wherever slavery is, misery dogs it as its shadow. Even had not the light of civil war fallen upon our American brethren, the inevitable consequences of "the secured thing" which they had suffered to pollute the national intertrade were fast reducing the Southern States to beggary.

15. What has retarded the development of the Southern Continent of the new world? What, that of Slaves—and length, happily, unregimenting a new one? What occasioned the fall of an otherwise noble and high-hearted people—of unhappy Poland?—What but the ravages of her kidnappers. Slavery is its every shape, from its naked violence to the phantasies to its sly, but not less essentially tyrannical and destructive form of trade's sales regulations—in the rather-worm of the body politic in which it exists.

16. Capital we have defined to be That which has Exchangeable value. Man is doubly gifted with this value. He has a double Capital—his Labour and his Intellect. All men are, or ought to be, workers with one or the other; and it is plain, on the slightest reflection, that myriads are so with both—the skilled labourer and mechanic for instance. Nor is it the purely unskilled worker who underpins the lower amount of labour. On the contrary, scientific and literary men, highbrows, judges, clergymen, and professional men in general, work, in the majority of instances, much more severely than those who are ordinarily classed as working men. Moreover, they, together with the ignorantly-absent capitalists, are among the working man's greatest benefactors. To what nations upon millions of workers have not the inventions and discoveries of Watt, Compton, Jacquard, Hensley, of the Steam-engine, Loom, Wedgwood, and other labourers with the brain, given lucrative employment? It has been calculated that the paper-makers, flaxen and press-makers, printers, &c., found in remunerative employ by the writings of Sir Walter Scott alone, would be numerous enough to people a considerable town; and the calculation is not an over-estimate. So as regards the labour of a Farmer and a Sir Humphrey Davy: vaccination and the salt-lump have saved, and will continue to save, lives innumerable.

17. There is a notion common enough even among the so-called educated classes that science and fact, theory and practice, are things not merely distinct, but opposite. How frequently do we not hear it said—"He's a theorist, not a practical man." Yet practical men are indebted for whatever they practice to theorists. The success of mechanics depends upon that of mathematicians. Voyages and travellers owe their present facilities of locomotion to theory. The inventor of the art of Printing was a theoretic look at the grand results of his theory. A new world was added to the old, was "called into existence," as it were, by a theorist—for long, long years repeated a dreamer. Upwards of thirty years did Columbus wander in vain from court to court, to persuade monarchs, statesmen, and capitalists to furnish him with the means for carrying out his plans—his theory; and for that tedious and bitter period he was the mock, jest, butt, and scorn of practical men. A philosopher writer has remarked that where Astronomy and where Moral Sciences are unknown, there it would be vain to look for the manufacture of a perfect piece of cloth. Without Astronomy, Navigation would be confined to coasting voyages, and thus the stimulus would be wanting which is given to arts and manufactures by a traffic, which embraces the habitable globe. A failed market cramps and limits the inventive

facilities, and confine Labour within narrow bounds. While without Freedom for the trader, and without Security for his Property—which Freedom and Security result from the deductions of Moral Science—commerce and manufactures alike languish.

18. Hence, the wider the field, the greater the Freedom, and the firmer the Security afforded to the trader—the better for the labourer, whether he work with hand, or loom, or with both. Trade regulations, trade laws, all the rules and expositions whereby it is sought either to keep up wages by restricting the supply of hands, or, conversely, to lower wages by resorting to an arbitrary scale of pay, are but fetters imposed upon themselves by Worker and Employer. Labour, the Association of Labour or of Capital, the right direction imparted to the use of both by Science, and the complete Security guaranteed to each by Law, essential as they all are to the development of the countless advantages of Social Life, are, nevertheless, deficient in what may be truly called the Vital Principle of Industry, if so there there be not superadded that atmosphere in which alone Industry can flourish—Perfect Freedom.

19. To exemplify. A gentleman whom, when the writer was a boy, he had the happiness of knowing, and with whose early history he was even then familiar, had been apprenticed by his father, the owner of the workhouse in a manufacturing town in the north, to a branch of the cotton manufacture. In a month's time he was thorough master of the craft. Horrified at the dreary, monotonous prospect before him of working for life along the war grooves, circling the mill-horse round of drudgery without a call upon his faculties, aghast at the thought of becoming a mere human machine—he summoned up courage to tell his father, an old soldier and severe disciplinarian, of whom he stood in imminent awe, that he might knowledge him to death, but that he would rather die than slave through seven years' apprenticeship at a calling which he had mastered in few weeks. Astonished and altogether taken aback by this outbreak of rebellion on the part of his usually timid and obedientive lad, the father, before having recourse to his favourite argumentative weapons, behought himself of taking counsel with a friend of his, an attorney, as to the course he should pursue. The result of the conference was that the youth's indentures were rescinded, that the lord and wife lawyer or apprenticeship him to himself without a fee (that is he took the fee, which was obligatory, out of his own pocket and returned it there), and that the apprentice, when I knew him, had succeeded to his benevolent and sagacious patron, and was in the enjoyment of a practice which required him to keep no fewer than from twenty to thirty clerks.

20. Now, had a youth of this moral caliber been Free, as soon as he had perfected himself in one branch of the manufacture to which he had been first put, to turn to another, and as to have reached himself master of all his processes, there is no improbability in supposing that he might have struck out improvements which would have given bread to thousands, and have secured him entrance to another division. And

how many bright intellects, how many hands, capable of showing benefits upon mankind, have there not been debilitated, extinguished, ground into nothingness by the same barbarism and barbarism denied of the Right which every human being has to carry his Labour where, and to employ it how, he himself may judge best. "Leave us alone," was the reply of a committee of French manufacturers to the celebrated minister of Finance, Colbert, when he inquired of them what he could do for the Protection of their interests—"Leave us alone, and allow us to carry on our business untroubled with."

22. The same holds good of all Workers. The rules which are supposed to protect, serve but to enslave, degrade, and so far prosper them. In truth, the trade regulations which prevailed throughout the greater part of Europe as late as the 15th century, compelling artisans, before they could commence business on their own account, to prove that they could manufacture all their own tools, as well as execute every process of their respective crafts, was not more absurd than that which restricts the operative to any one special branch of his calling. Division of Labour, and Compulsion to work at one process of a handicraft only, are two distinct and opposite things. Division of Labour, applied to every industry, enslave it with added cruelties; enhances and perfects the skill of the workman; and,—the great end and object of all wise industry,—reduces the Cost of Production. We are all of us Consumers; and whatever cheapens Production, whether it be machinery, chemical aids, or the superior skill resulting from Division of Labour, benefits each and all. But to compel an apprenticeship of years to a trade or calling which can be mastered in so many months, or to require any proof of a man's right to follow it other than execution of the work set before him, is an injury to the individual and a loss to the community.

23. It is not denied that partial and temporary distress often follows the introduction of new inventions, as it does changes of fashion. The wig-makers uttered loud complaints, when men and women chose to wear their own hair instead of that of other people. When shoe-buckles were replaced by shoe-strings, Birmingham starved. Let the student of Political Economy fix his mind upon the one grand aim of the sciences, namely, the Interest of the Community. With this kept steadily in view, he cannot go astray.

24. Man is pre-eminently a Consumer and Exchanger. Trade means Consumption and Exchange of Products, that is, of Services. And the more that articles of Consumption are brought within man's reach, that is, the Cheaper all such articles are, the more improved the general lot.

25. Laws and regulations, whether emanating from governments, or from associations of individuals, whose effect it is to obstruct Exchange either among ourselves, or between us and foreign countries, act as if an engine, instead of obolating by every possible expedient the friction of his machinery, were to stilt the labouring oil or felloe with mud and gravel. By interfering with the natural means of increasing the national wealth, they oppose the spread of general ease and comfort. They contravene that Common Sense which is the growth of awakened

knowledge, and the fruit of experience. Finally, they run directly counter to the teachings of both Natural and Revealed Religion—for they raise barriers between the different nations of the earth, and so prevent mankind from coalescing, through Perfect Freedom of Exchange, into that one great Brotherhood, to incorporate which Christianity came down—a light from Heaven.



